

# **WEST VIRGINIA LEGISLATURE**

## **2017 REGULAR SESSION**

**Introduced**

### **House Bill 3055**

BY DELEGATES HOWELL, WALTERS, HAMRICK,

HOUSEHOLDER, CRISS, ARVON AND STORCH

[Introduced March 14, 2017; Referred  
to the Committee on Government Organization then  
Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto two new  
 2 sections, designated §5A-2-35 and §5A-2-36, all relating to the preparation of a  
 3 comprehensive annual financial report; requiring training; requiring notice; requiring  
 4 reporting; proscribing penalties for noncompliance; providing for an administrative appeal;  
 5 and establishing deadlines for creation of the comprehensive annual financial report.

*Be it enacted by the Legislature of West Virginia:*

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto two  
 2 new sections, designated §5A-2-35 and §5A-2-36, all to read as follows:

**ARTICLE 2. FINANCE DIVISION.**

**§5A-2-35. Required training; required notice, required reporting; penalties for noncompliance; administrative appeal.**

1 (a) The head of each spending unit, or his or her designee, shall attend the Generally  
 2 Accepted Accounting Principles and Single Audit Closing Book Process training provided by the  
 3 Financial Accounting and Reporting Section related to the required spending unit reporting to the  
 4 Finance Division in order for the section and the division to prepare the comprehensive annual  
 5 financial report of the state on or before December 31 of each year.

6 (b) On or before September 30 of each year, the division shall prepare and deliver a notice  
 7 to the head of each spending unit that contains, at a minimum, the information required to be  
 8 submitted, the deadlines for submission, the penalties for failure to comply, and any other  
 9 information the division deems appropriate.

10 (c) On or before September 15 of each year, the head of each spending unit shall prepare  
 11 and report a draft financial statement.

12 (d) On or before October 15 of each year, the head of each spending unit shall prepare  
 13 and report a final financial statement.

14 (e) On or before October 31 of each year, the head of each spending unit shall prepare  
15 and report to the Finance Division all closing book forms, reports and any other information  
16 required by the division and by the section.

17 (f) Each Friday, after October 31 of each year, and until each spending unit has complied  
18 with the reporting requirements of subsection (b) of this section, the section and the division shall  
19 report to the Secretary of Administration on spending unit compliance and delivery of the closing  
20 book forms, reports and all other information required by the section and the division. Beginning  
21 November 1 of each year, and every day thereafter that a spending unit is not in compliance with  
22 the reporting requirements of this section, the section and the division shall prepare a weekly  
23 report to the secretary naming the spending unit and the number of days that the spending unit is  
24 not in compliance.

25 (g) For each spending unit not in compliance with the reporting requirements of subsection  
26 (b) of this section, the Secretary of Administration shall issue an administrative fine of \$100 per  
27 day for every calendar day the spending unit is late and not in compliance with the reporting  
28 requirements of this section. The administrative fine authorized pursuant to this section shall be  
29 deposited into the General Revenue Fund of this state. The secretary shall weekly notify the head  
30 of each noncompliant spending unit that an administrative fine is being assessed pursuant to this  
31 section, and provide the number of days delinquent and notice that for each additional day that  
32 the closing book forms, reports and all other information required are not delivered will result in  
33 an additional \$100 per day fine: *Provided*, That the fine may not be paid with federal funds.

34 (h) The head of a spending unit fined for noncompliance with the required reporting shall  
35 have fifteen calendar days in which he or she may respond to the notice of administrative fine,  
36 and pay the fine, or describe in writing any circumstances beyond his or her control that materially  
37 contributed to the delay. After notice to the spending unit, and the opportunity to respond, the  
38 secretary shall issue written findings to the head of the spending unit and order the payment of  
39 the fine, itemized by the number of days for which the fine is issued, reduce the fine, or waive the

40 fine: *Provided*, That the secretary shall issue the written report no later than fifteen days after the  
41 receipt of the spending unit's response.

42 (i) The head of a spending unit that has been assessed an administrative fine ordered by  
43 the secretary pursuant to this section may appeal, within thirty days of the receipt of the written  
44 notice by the secretary, to the circuit court of Kanawha County.

**§5A-2-36. Comprehensive annual financial report publication deadlines.**

1 If the Finance Division receives all of the necessary reports from spending units by  
2 October 31, the division shall issue the comprehensive annual financial report by December 31.  
3 Otherwise, the division shall issue the comprehensive annual financial report within two months  
4 of receipt of all necessary reports from the spending units.

NOTE: The purpose of this bill is to require the preparation of a comprehensive annual financial report. The bill requires heads of spending units to prepare financial statements. The bill requires notice be given to the spending units. The bill establishes deadlines for the spending units. The bill requires training. The bill prescribes an administrative fine if the required reporting is not timely submitted. The bill provides for a response by the head of a spending unit. The bill provides for judicial appeal. The bill establishes deadlines for the submission of the comprehensive annual financial report.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.