

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1582 Session of 2019

INTRODUCED BY GREINER, RYAN, FEE, GAYDOS, ZIMMERMAN, LAWRENCE, KAUFFMAN, MENTZER, KEEFER, HICKERNELL, MIZGORSKI AND WHEELAND, JUNE 5, 2019

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 24, 2019

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled "An
2 act concerning townships of the second class; and amending,
3 revising, consolidating and changing the law relating
4 thereto," in auditors and accountants, further providing for
5 appointment of accountant and providing for APPOINTMENT OF <--
6 INDEPENDENT AUDITOR AND abolishment of office of elected
7 auditor.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 917(b) (2) of the act of May 1, 1933
11 (P.L.103, No.69), known as The Second Class Township Code, is
12 amended to read:

13 Section 917. Appointment of Accountant.--* * *

14 (b) * * *

15 (2) (i) At least thirty days prior to the organizational
16 meeting or thirty days prior to any vote to appoint a certified
17 or competent public accountant or a firm of certified or
18 competent public accountants to replace the elected auditors,
19 the board of supervisors shall advertise in a newspaper of

1 general circulation the intent to appoint a certified or
2 competent public accountant or a firm of certified or competent
3 public accountants to replace the elected auditors.

4 (ii) Except after abolishing the office of auditor under
5 section 918, the board of supervisors at the organizational
6 meeting shall pass a resolution reaffirming the appointment
7 under this section.

8 * * *

9 Section 2. The act is amended by adding a section to read:

10 Section 918. APPOINTMENT OF INDEPENDENT AUDITOR; Abolishment <--
11 of Office of Elected Auditor.--(a) The board of supervisors may <--
12 provide, by ordinance passed by a two-thirds vote of the entire
13 board of supervisors, for the appointment of an independent
14 auditor who must be a certified public accountant registered in
15 this Commonwealth, a firm of certified public accountants
16 registered in this Commonwealth or a competent public accountant
17 or a competent firm of public accountants.

18 (b) When an ordinance has been adopted under subsection (a),
19 an independent auditor shall be appointed annually, by
20 resolution before the close of the fiscal year. The independent <--
21 auditor shall make an independent examination of the accounting
22 records of the borough for the fiscal year and perform the other
23 duties and exercise the powers as conferred upon the independent
24 auditor under section 917. THE BOARD OF SUPERVISORS SHALL ENTER <--
25 INTO A CONTRACT FOR EACH APPOINTMENT. THE INDEPENDENT AUDITOR
26 SHALL EXAMINE, AUDIT AND SETTLE THE ACCOUNTING RECORDS OF THE
27 TOWNSHIP FOR THE FISCAL YEAR. THE INDEPENDENT AUDITOR SHALL HAVE
28 THE SAME POWERS AND DUTIES, EXCEPT FOR SETTING COMPENSATION OF
29 SUPERVISORS EMPLOYED BY THE TOWNSHIP, AND BE SUBJECT TO THE SAME
30 PENALTIES AS THE ELECTED AUDITORS UNDER THIS ARTICLE. THE

1 COMPENSATION FOR INDEPENDENT AUDITORS SHALL BE SET BY THE BOARD
2 OF SUPERVISORS. THE RESPONSIBILITY TO PUBLISH THE CONCISE
3 FINANCIAL STATEMENT AS PROVIDED BY SECTION 904 SHALL BE
4 COMPLETED BY THE TOWNSHIP SECRETARY UPON RECEIPT OF THE
5 STATEMENT FROM THE INDEPENDENT AUDITOR WITHIN THE REQUIRED TIME
6 FRAME.

7 (c) When an independent auditor is appointed under this
8 section, the office of elected ~~township~~ auditor shall be <--
9 abolished BY ORDINANCE AS PROVIDED UNDER SUBSECTION (A), but the <--
10 ~~township~~ ELECTED auditors then in office shall continue to hold <--
11 office during the term for which they were elected, and the
12 ~~township auditor~~ ELECTED AUDITORS shall not audit, settle or <--
13 adjust the accounts audited by the independent auditor but shall
14 perform the other duties of office. NO ADJUSTMENTS TO THE <--
15 COMPENSATION OF SUPERVISORS EMPLOYED BY THE TOWNSHIP MAY BE MADE
16 BY THE ELECTED AUDITORS.

17 (d) (1) If any township has provided by ordinance for the
18 audit of its accounts by an appointed INDEPENDENT auditor, the <--
19 township may at any time repeal the ordinance UNDER SUBSECTION <--
20 (A), and the contract under ~~section 917~~ SUBSECTION (B) shall be <--
21 canceled as of the date set in the ordinance.

22 (2) The township may, at the next municipal election
23 following the repeal of the ordinance, elect three auditors, one
24 for a term of two years, one for a term of four years and one
25 for a term of six years, on the first Monday in January
26 following the election. The elected auditors shall succeed the
27 appointed auditor and shall have and possess all the powers and
28 perform all the duties provided in this part for elected
29 auditors.

30 (3) If, at any time after the effective date of an ordinance

1 abolishing the office of appointed auditor, there shall be a
2 vacancy in the office of elected auditor, the board of
3 supervisors shall fill the vacancy in the manner prescribed in
4 section 407.

5 (e) (1) The duties of the elected auditor under section 606
6 relating to setting compensation for supervisors that hold other
7 employee positions shall be performed by the supervisors.

8 (2) The board of supervisors shall establish a series of
9 salary schedules that apply to any supervisor that may hold an
10 employee position with the township.

11 (3) The salary schedules shall be established through an
12 ordinance that cannot take effect until after the next municipal
13 election and may not be adjusted for six years. THE ORDINANCE <--
14 MAY BE PASSED BY THE BOARD OF SUPERVISORS PRIOR TO THE EFFECTIVE
15 DATE OF THE ABOLISHMENT OF THE BOARD OF AUDITORS.

16 (4) ALL OTHER COMPENSATION, INCLUDING, BUT NOT LIMITED TO,
17 PENSIONS, MAY BE CHANGED BY ORDINANCE BY THE BOARD OF
18 SUPERVISORS AS NEEDED. ANY CHANGES MADE SHALL NOT TAKE EFFECT
19 UNTIL THE BEGINNING OF THE SUPERVISORS' NEXT TERM OF OFFICE.

20 Section 3. This act shall take effect in 60 days.