

HOUSE BILL No. 1452

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-11-1-25.

Synopsis: Audits of township governments. Requires the state board of accounts to conduct examinations of townships not less than once every two years (rather than not less than once every four years under current law).

Effective: July 1, 2025.

O'Brien, Miller D

January 21, 2025, read first time and referred to Committee on Local Government.



First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1452

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-11-1-25, AS AMENDED BY P.L.157-2020,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 25. (a) This section and section 24.4 of this
4 chapter do not limit the application of any law that requires a
5 municipality, a public hospital, another public office or public officer,
6 an entity, or another person or organization to be audited or otherwise
7 examined on an annual or other basis by:
8 (1) a certified public accountant; or
9 (2) a person other than the state examiner or the state board of
10 accounts.
11 (b) Subject to section 9 of this chapter and subsections (c) and (d),
12 the state board of accounts shall conduct examinations of audited
13 entities at the times determined by the state board of accounts, but not
14 less than once every four (4) years, **and not less than once every two**
15 **(2) years in the case of a township**, using risk based examination
16 criteria that are established by the state board of accounts and approved
17 by the audit committee. The risk based examination criteria must



- 1 include the following risk factors:
- 2 (1) An audited entity has a newly elected or appointed fiscal
- 3 officer.
- 4 (2) An audited entity:
- 5 (A) has not timely filed; or
- 6 (B) has filed a materially incorrect or incomplete;
- 7 annual financial report required by section 4 of this chapter.
- 8 (3) A ratings agency that rates debt maintained by an audited
- 9 entity has determined an examination of the audited entity is
- 10 required more frequently than once every four (4) years.
- 11 (4) Any other factor determined by the state examiner and
- 12 approved by the audit committee.
- 13 (c) Examinations must be conducted annually for the following:
- 14 (1) The state.
- 15 (2) An audited entity (other than a school corporation) that
- 16 requires an annual audit:
- 17 (A) because of the receipt of federal financial assistance in an
- 18 amount that subjects the audited entity to an annual federal
- 19 audit;
- 20 (B) due to continuing disclosure requirements; or
- 21 (C) as a condition of a public bond issuance.
- 22 (3) A development authority.
- 23 An audited entity shall, under the guidelines established by the state
- 24 board of accounts, provide notice to the state examiner not later than
- 25 sixty (60) days after the close of the audited entity's fiscal year that the
- 26 audited entity is required to have an annual audit under subdivision (2).
- 27 (d) As permitted under this section since September 1, 1986 (the
- 28 effective date of P.L.3-1986, SECTION 16), examinations of school
- 29 corporations shall be conducted biennially.

