

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3043

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3043.

This bill extends the deadline for the completion of the annual audit of a school district's accounts and financial transactions.

Under current law, the board of education of every school district is required to have an annual audit of the district's accounts and financial transactions completed not later than five months, November 30, after the June 30 end of the school year. A report of the annual audit is filed by the accountant with the board of education, and within five days thereafter, December 5, with the Commissioner of Education.

This bill extends the deadline for the completion of the annual audit of the 2019-2020 school fiscal year until April 30, 2021 and its submission to the commissioner until May 5, 2021. This extension of five months is necessary as a result of the approximately five month period that schools were required to be closed as a result of the coronavirus disease 2019 (COVID-19). School districts have limited the number of persons who may enter school buildings due to COVID-19, which creates a difficulty since the annual audit is conducted on-site at the district. Additionally, the accounting firms that conduct school district audits also conduct audits of the financial records of municipalities. The Division of Local Government Services in the Department of Community Affairs has moved the date for the filing of calendar year 2019 municipal audits from June 30, 2020 to September 30, 2020 as a result of COVID-19. This change in schedule has further impacted the ability of these accountants to complete the audits of school districts in accordance with the current statutory requirements.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.