

By Mr. Lambert of Fall River, petition of Edward M. Lambert, Jr., for legislation to regulate auditing practices of the Commonwealth State Administration.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Five.

AN ACT RELATIVE TO AUDITING PRACTICES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 112 is hereby amended by adding after section 87E the
2 following new section: —

3 Section 87E½. It shall be mandatory that all audits by certified
4 public accountants, auditing firms or state agencies performed on
5 municipalities, state institutions or agencies contain a
6 “Reconciliation of Cash” as a major financial statement to be
7 included in its audit report. Said “Reconciliation of Cash”
8 showing any variances between the books of the municipality,
9 institution or agency shall be included in the audit report whether
10 or not the audit of “Cash” is disclaimed by the auditing agency,
11 certified public accounting firm or state.

12 Be it further resolved that a physical count of cash and securi-
13 ties be a part of the audit of any municipality contracted by certi-
14 fied public accountants, auditing firms or state agencies, and that
15 this count of cash and securities be certified as of a certain date.

The Corporation of ...

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