

IN THE SUPREME COURT OF THE STATE OF ARIZONA

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|                             |   |                           |
|-----------------------------|---|---------------------------|
| In the Matter of:           | ) |                           |
|                             | ) |                           |
| AMENDING ARIZONA CODE OF    | ) | Administrative Order      |
| JUDICIAL ADMINISTRATION     | ) | No. 2018 - <u>31</u>      |
| § 1-401: MINIMUM ACCOUNTING | ) | (Affecting Administrative |
| STANDARDS                   | ) | Order No. 2010-118)       |
|                             | ) |                           |
| <hr/>                       | ) |                           |

Pursuant to the Arizona Code of Judicial Administration § 1-201(E), the Chief Justice may adopt emergency administrative code proposals and technical changes in existing code sections by administrative order without prior distribution for comment and action by the Arizona Judicial Council.

Therefore, pursuant to Article VI, Section 3, of the Arizona Constitution,

IT IS ORDERED that Arizona Code of Judicial Administration § 1-401 is amended as indicated on the attached document. All other provisions of § 1-401 remain unchanged and in effect.

Dated this 11th day of April, 2018.

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SCOTT BALES  
Chief Justice

**ARIZONA CODE OF JUDICIAL ADMINISTRATION**  
**Part 1: Judicial Branch Administration**  
**Chapter 4: Financial Administration**  
**Section 1-401: Minimum Accounting Standards**

A. through F. [no changes]

**G. External Independent Review by Auditors.** Each court shall undergo an ~~external independent~~ review, at least triennially, of its accounting records, procedures, automated financial management system records and internal controls as follows:

1. ~~Courts shall ensure the provisions of the external review are met~~ The auditor conducting the independent review shall:

a. ~~Ensure~~ The external review is performed by either a certified public accountant (CPA) currently licensed by the Arizona State Board of Accountancy, a certified internal auditor (CIA), or certified government auditing profession (CGAP) certified by the Institute of Internal Auditors, or under the direction of a CPA, or CIA, or CGAP.

b. ~~Ensure~~ The external review is performed in accordance with the applicable professional standards associated with the auditor's specific certification. Such professional standards include: current American Institute of Certified Public Accountants, Codification of Professional Standards, Codification of Statements on Auditing Standards, Statement on Standards for Attestation Engagements, and Agreed-Upon Procedures Engagements.

(1) The American Institute of Certified Public Accountants, Codification of Professional Standards, Codification of Statements on Auditing Standards, Statements on Standards for Attestation Engagements, and Agreed-Upon Procedures Engagements.

(2) The Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

(3) The Comptroller General of the United States, Government Auditing Standards.

c. Review compliance with the Minimum Accounting Standards (MAS) contained in this section. The Administrative Office of the Courts (AOC) publishes a The auditor shall follow all procedures in the Guide for External Independent Reviews by Auditors, as published by the AOC which outlines procedures for reviewing compliance with the MAS.

d. Issue and deliver a The final audit report is delivered to the court no later than 90 calendar days after the auditor completes the fieldwork phase of the review.

e. ~~The auditor shall, u~~Upon request and at no cost, grant the court being reviewed, as well as the supreme court, AOC, and the auditor general's office, access to any books,

documents, records and working papers that are in any way pertinent to the ~~external~~ independent review. Further, these items shall be produced at the offices of the court, supreme court, AOC<sub>2</sub> or auditor general upon request.

2. The court shall date stamp the final report issued by the auditor upon receipt, and shall send copies of the final ~~audit~~ report with date stamp, to their respective chief justice, chief judge<sub>2</sub> or presiding judge<sub>2</sub> and the AOC court services division within seven business days of the court receiving the final report.
3. When any type of audit relating to the case management or case financial management of the court, other than the ~~external~~ review described in this subsection, is to be performed by any agency or private firm, the justice of the peace, court administrator, clerk of the court<sub>2</sub> ~~or~~ presiding judge, or the administrative director of the AOC shall, before or during the audit, advise their respective chief justice, chief judge<sub>2</sub> or presiding judge of the audit. Further, ~~the~~ court shall date stamp the final audit report upon receipt, and shall also ~~provide~~ send to their respective chief justice, chief judge, presiding judge<sub>2</sub> and the AOC ~~C~~court ~~S~~services ~~D~~division ~~with~~ a copy of ~~all~~ final audit reports, findings<sub>2</sub> and evaluations ~~from~~ of any audit performed within seven business days of receipt.

**H. through O. [no changes]**