

Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** SB1124

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Ruff

3. **Committee:** Local Government

4. **Title:** Local government records; clarifies authority of Auditor of Public Accounts

5. **Summary:** Clarifies the authority of the Auditor of Public Accounts (APA) and the type of audit that shall satisfy the annual audit requirement for localities and constitutional officers. The Senate substitute provides that an audit performed under the provisions of § 15.2-2511 of the Code of Virginia that also include an audit of the clerk of the circuit court fulfill the requirements of audits performed under the provisions of § 30-134.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Indeterminate

8. **Fiscal Implications:** The bill as amended essentially gives localities the choice of who audits the clerk of the circuit court. They may either include the audit of the clerk's office along with the much broader audit required by § 15.2-2511 or they may choose to have the APA audit the clerk's office under the provisions of § 30-134. Including the audit of the clerk in the broader audit may slightly increase the cost of the audit to the locality.

Currently the APA is charged with audits of clerks of the circuit court. When the APA audits a local clerk of the circuit court, the locality is billed for half the cost. The payment received by the APA is deposited into the General Fund. For fiscal year 2012, the total of such deposits collected by the APA were approximately \$234,000. The average bill for a locality for these audits is approximately \$3,000 (between \$2,000 and \$5,000 depending on the size of the locality). The provisions of this bill may result in the elimination of some of these payments into the General Fund. However, the exact number and size of the localities that may choose to include the audit of clerks of the circuit court within the broader audit required by § 15.2-2511 is unknown.

9. **Specific Agency or Political Subdivisions Affected:** Auditor of Public Accounts and all local governments.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** N/A

Date: 1/23/12