

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB1124

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> 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 bill provides that the completion of an audit by the APA per § 30-134 shall satisfy the requirement stipulated by § 15.2-2511 that each locality have its accounts and records audited by an independent certified public accountant. The bill also clarifies that the authority of the APA to audit accounts only when special circumstances require or fraud is suspected is not exclusive but rather exists in addition to the other auditing authority of the APA.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The Auditor of Public Accounts (APA) indicates that the provisions of this bill may result in an indeterminate fiscal impact. This bill would allow localities to replace the audit as required by § 15.2-2511 of the Code of Virginia with audits performed by the APA under the provisions of § 30-134. Currently, localities pay half of the costs associated with the audits performed by the APA but they pay the full cost of audits required under § 15.2-2511. Under the provisions of this bill as introduced, there may be some savings to a locality in a given year if the APA is performing an audit of that locality under the provisions of § 30-134. Further, the audits currently required under the provisions of § 15.2-2511 are generally more extensive than the audits performed by the APA under the provisions of § 30-134. The savings to a given locality could potentially be significant in that the bill replaces a potentially more extensive and costly audit with a more focused audit performed by the APA.

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: 1/21/12