

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB1075

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: Jones

3. Committee: Committee Referral Pending

4. Title: Audits of certain political subdivisions.

5. Summary: Provides that certain audit requirements shall not apply to a town with a population of less than 3,500 that does not have a separate school division for any fiscal year during which such town's financial transactions did not exceed the sum of \$25,000. However, the Auditor of Public Accounts may require an audit if he deems it to be necessary to determine the propriety of the entity's financial transactions. The bill also provides that no audit shall be required for certain political subdivisions, the members of whose governing body are not elected by popular vote, for any fiscal year during which such entity's financial transactions did not exceed the sum of \$25,000. The current threshold is \$5,000.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the APA; Indeterminate fiscal impact on the political subdivisions affected.

8. Fiscal Implications: There is potential that there will be a fiscal impact for some political subdivisions. Since the dollar threshold at which an audit is required has been increased, some entities will no longer have to have an audit performed, resulting in a positive fiscal impact which will vary depending on their current audit costs. There is also the potential that some towns with populations less than 3,500, but financial activity exceeding the \$25,000 threshold currently do not have audits, but will be required to have an audit under the new legislation, the cost of which will vary depending on the entities financial activities. There are no fiscal implications as the Auditor of Public Accounts already has a process in place for preparing specifications, obtaining and storing copies of the audit reports.

9. Specific Agency or Political Subdivisions Affected: Auditor of Public Accounts and some towns, authorities, boards and commissions.

10. Technical Amendment Necessary: No

11. Other Comments: None