

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB 1892

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: Delegate Miyares

3. Committee: Education

4. Title: Require an independent audit of annual financial statements

5. Summary: This bill requires the governing board of each public institution of higher education to submit the annual financial statements for the fiscal year ending the preceding June 30 and the accounts and status of any ongoing capital projects to a certified public accounting firm for the independent audit of such statements at the expense of the institution.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary (see Section 8)

8. Fiscal Implications: According to a sampling of public higher education institutions in the Commonwealth, the costs for independent audits could range from \$50,000 to approximately \$1.0 million per year depending on the size of the institution and the complexity of the audit. To cover these costs, the institutions would have to reallocate existing resources, receive general fund support, or increase tuition and fees.

9. Specific Agency or Political Subdivisions Affected: Virginia's public institutions of higher education

10. Technical Amendment Necessary: No.

11. Other Comments: Currently, institutions of higher education are required to submit their annual financial statements and the accounts and status of any ongoing capital projects to the Auditor of Public Accounts.

Date: 01/18/17

c: Secretary of Education