

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 2034
Version:	Conference Committee Substitute
Author:	Representative Sullivan/ Senator Coffee
Date:	5/212010
Impact:	State Auditor – Additional CPA at \$97,000 Annually

Bill Summary

Research Analyst: Dawn Marks

The conference committee substitute to Senate Bill 2034 requires that if the State Auditor and Inspector authorizes an audit of a school district for not complying with audit requirements in statute, the district shall pay for the audit the State Auditor and Inspector authorizes.

It also requires that beginning July 1, 2014, all firms entering into audit contracts with school districts carry a minimum of \$500,000 accountants' professional liability insurance or total amount of the budget being audited, whichever is less.

The substitute also allows the State Auditor and Inspector to authorize four special audits a year, contingent upon availability of funding, of school districts with any size average daily membership.

The measure requires that accountants conducting school audits required by law complete during the prior year a minimum of eight clock hours of continuing education in school district accountancy approved by the State Auditor and Inspector.

Each board of education must forward a copy of its audit to the State Auditor and Inspector who shall determine if it complies with law and report violations.

Fiscal Summary

Fiscal Analyst: Terry McKenna

The Committee Substitute for SB 2034 transfers accounting duties under the provisions of the Oklahoma Public School Audit Law from the State Board of Education to the State Auditor and Inspector (SA&I), and provides that any school district audited pursuant to this measure shall pay for the cost of the audit. ESB 2034 also provides that before entering into audit contracts required by the Oklahoma Public School Audit Law, all accountants shall satisfy the State Auditor and Inspector that the accountant has completed a minimum of eight clock hours of continuing education credit in school district accountancy.

Fiscal Analysis

The SA&I advises that it would require an additional CPA to review audits and monitor reporting requirements, and to coordinate information between the agency and the Board of Accountancy related to the continuing professional education and peer review requirements of the CCS for SB 2034. The agency estimates salary and benefits for the position at \$97,000. Currently, the SA&I employs a CPA who alone reviews a minimum of 1660 audits annually for reporting requirements, and performs the quality assurance review (a more involved process) of another 448 audits of county governments. The provision of Section 3 requiring school districts to pay for audits addresses the costs incurred by SA&I if the agency is required to perform an audit because the school does not file one or files one that does not meet standards.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director