

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB895
Version:	Engrossed
Request Number:	
Author:	Rep. Kannady/ Sen. Rosino
Date:	4/14/2021
Impact:	See Below

Research Analysis

Engrossed SB895 allows a state agency to choose to have its required audit performed by a public accountant or a certified public accountant, rather than by the State Auditor & Inspector. The agency director may make this decision at their discretion, and may request a cost estimate from the State Auditor & Inspector to assist in this decision. Upon notification by the agency that a public accountant or CPA will be conducting the audit, the State Auditor & Inspector is relieved of their statutory duty to perform that audit. The agency must still submit required information to OMES and the State Auditor & Inspector for the Comprehensive Annual Financial Report and the statewide Single Audit, and any audit reports prepared by a public accountant or CPA must be finalized and submitted to OMES by October 15 for preparation and review of the Comprehensive Annual Financial Report.

Prepared By: Sean Webster

Fiscal Analysis

SB 895 in its current form authorizes state agencies to have required audits performed by private accountants instead of the State Auditor and Inspector (SAI). If agencies are able to contract with private accountants for such services at rates less than currently charged by SAI, such agencies would experience cost savings.

Officials for SAI anticipate lost revenues as a result of the provisions of SB 895, due to decreased demand for SAI services by state agencies. Though SAI is currently unable to provide a quantifiable estimate of such lost revenues, it is anticipated that such lost revenues would result in corresponding decreases in full-time-equivalent employees (FTE) by SAI. SAI also identifies the possibility of additional uncompensated costs related to potential redundancies in processes related to the preparation of the statewide Comprehensive Annual Financial report.

Prepared By: John McPhetridge

Other Considerations

None.