

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2389-01
Bill No.: SCR 26
Subject: Auditor, State; General Assembly
Type: Original
Date: April 24, 2017

Bill Summary: This proposal authorizes independent a certified public accountant or a certified public accounting firm to conduct an audit of the State Auditor’s Office.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Joint Contingent Fund	(Less than \$100,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Less than \$100,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor** and the **Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from 2007 (SCR 18), officials from the **Missouri Senate** assumed the resolution authorized the General Assembly to employ an independent Certified Public Accountant to conduct an audit of the State Auditor's Office. This fulfills a statutory requirement pursuant to RSMo. 21.760 with the costs to be paid out of the joint contingent appropriation.

The cost of such audit is expected to be well less than \$100,000 based on the prior two such audits (\$24,000 and \$25,000). Anticipated cost is to be \$25,000 which recently was added to the Joint Contingent budget request for fiscal year 2008.

In response to a similar proposal from 2007 (SCR 18), officials from the **Missouri House of Representatives** assumed the costs associated with this proposal will be paid out of the joint contingent fund of the General Assembly. The House assumes that the Senate will still process payments out of the fund, therefore, there is no fiscal impact to the House.

Oversight assumes this proposal authorizes the employment of an independent certified public accountant to perform an audit on the condition and performance of the accounts, functions, programs and management of the State Auditor's office. For fiscal note purposes, Oversight will reflect a one time cost of less than \$100,000 to the Joint Contingent Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
JOINT CONTINGENT FUND			
<u>Cost</u> - Independent Certified Public Accountant audit of the State Auditor's Office	(Less than <u>\$100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE JOINT CONTINGENT FUND	(Less than <u>\$100,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

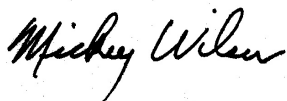
FISCAL DESCRIPTION

This concurrent resolution authorizes the employment of an independent certified public accountant to perform an audit on the condition and performance of the accounts, functions, programs and management of the State Auditor's Office. The independent C.P.A. shall make written report of his or her findings to the General Assembly, the Governor, and the State Auditor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor
Office of the Governor
Missouri House of Representatives
Missouri Senate



Mickey Wilson, CPA
Director
April 24, 2017

Ross Strobe
Assistant Director
April 24, 2017