

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2878</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>6213</b>
<b>Author:</b>	<b>Rep. Wallace</b>
<b>Date:</b>	<b>2/23/2021</b>
<b>Impact:</b>	<b>Total State Agency Savings: approx. \$50,000 per year</b>
	<b>SAI Additional Revenue: approx. \$100,000 per year</b>

**Research Analysis**

HB 2878, as introduced, expands the definition of *audit* as it relates to duties of the State Auditor and Inspector to include engagements not conducted in accordance with Government Auditing Standards, when those engagements involve state agencies which collect less than \$3M annually.

Prepared By: Sean Webster

**Fiscal Analysis**

HB 2878 in its current form modifies auditing standards related to certain state agency audits. Officials for the State Auditor and Inspector, (SAI), estimate that currently they conduct 10 such audits annually for the class of state agencies impacted by HB 2878. SAI estimates the changes provided in HB 2878 to result in a saving to agencies of approximately \$5,000 per audit, under the new standards. Under the provisions of HB 2878 SAI estimates a total savings to state agencies of \$50,000 per year, (\$5,000 savings \* 10 agencies a year = \$50,000 total savings per year).

Additionally, SAI anticipates the modification in standards will allow SAI to reallocate resources and conduct 10 additional audits annually, each generating approximately \$10,000 in additional revenue for SAI. Under the provisions of HB 2878 SAI estimates additional revenue for SAI of \$100,000 per year, (\$10,000 revenue \* 10 agencies a year = \$100,000 total additional revenue per year).

Prepared By: John McPhetridge

**Other Considerations**

None.