

## STATEMENT OF PURPOSE

### RS25129

This legislation changes the financial audit requirements of the Soil and Water Conservation Commission from an annual independent financial audit to a periodic management review. The legislative auditor recently completed the FY 2011 and FY 2012 financial audits for the commission. At the conclusion, the legislative auditor recommended that, retroactive to FY 2013, the commission be treated like other state agencies, and undergo a periodic management review instead.

### FISCAL NOTE

There is a positive fiscal impact of \$5,000 per year to the commission and a net zero impact to the General Fund. The legislative auditor billed the commission \$16,000 for the FY 2011 and FY 2012 financial audits. The legislative auditor then recommended a management review for FY 2013, FY 2014, FY 2015 and FY 2016. The management review of the General Fund portion of the commission's budget is covered by the General Fund appropriation to the Legislative Services Office for the legislative auditor. With this change, the legislative auditor will account for time spent on the dedicated portion of the commission's management review, and bill the commission in the annual billing cycle, estimated at \$3,000 per year. This billing process is reviewed on a three-year cycle, and adjusted as needed, based on actual audit hours incurred. The cost to the commission will be about \$5,000 per year less, because a management review will take fewer audit hours, and the commission will only be responsible for the review of the non-general fund portion of the budget rather than the full cost. The net impact to the General Fund is zero.

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**DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).**