

Fiscal Estimate Narratives

LAB 2/29/2012

LRB Number	11-4075/1	Introduction Number	SB-506	Estimate Type	Original
Description Management and performance evaluation audits of large programs and large agencies by the Legislative Audit Bureau					

Assumptions Used in Arriving at Fiscal Estimate

2011 Senate Bill 506 requires the Legislative Audit Bureau to perform a management and performance evaluation audit of 17 major state programs at least once every five years. The bill also requires the Bureau to perform an analysis of supervisor-to-staff ratios in all executive branch agencies with more than 100 full-time equivalent positions at least once every five years. The bill does not permit the Bureau to charge the agencies for the cost of each audit. Therefore, these audits would be funded from the Bureau's general purpose revenue appropriation.

The cost of conducting these audits, and analyzing the supervisor-to-staff ratios, cannot be absorbed within the Bureau's budget. However, it is difficult to accurately estimate the costs until planning and scheduling work is completed to determine the scope of each audit. If the bill is enacted, the Bureau would assign one auditor to begin the process of developing a schedule and creating audit work plans to meet the requirements of the bill. Given the Bureau's existing statutory requirements, it is likely that conducting these audits and performing the supervisor-to-staff ratio analyses would reduce the flexibility of the Joint Legislative Audit Committee to direct the Bureau to complete other audits and evaluations.

Long-Range Fiscal Implications