



## Fiscal Estimate Narratives

LAB 11/13/2017

|                                                                        |                  |                     |               |               |                 |
|------------------------------------------------------------------------|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number                                                             | <b>17-4586/1</b> | Introduction Number | <b>SB-511</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>audits performed by the Legislative Audit Bureau |                  |                     |               |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

Under provisions of 2017 Wisconsin Act 59, the Local Government Property Insurance Fund will cease operations at some point after July 1, 2019. This bill eliminates the requirement that the Legislative Audit Bureau perform a financial audit of the Local Government Property Insurance Fund every three years. Section 13.94 (1s) (c) 2., Wis. Stats., requires the Bureau to charge the Office of the Commissioner of Insurance for the cost of this audit. Because the audit requirement for the Fund is repealed, the requirement to charge for the costs this audit is no longer applicable, and the Bureau does not have the authority to charge for the costs of such an audit.

The bill requires the Bureau to complete a final audit of the Local Government Property Insurance Fund after the cessation of all operations of the Fund and the distribution of any moneys remaining in the Fund. The bill permits the Bureau to charge the Office of the Commissioner of Insurance for this audit.

It is difficult to accurately estimate the costs of conducting the final audit of the Local Government and Property Insurance Fund that may be charged to the Office of the Commissioner of Insurance until planning and scheduling work is completed to determine the scope of the audit. Once the Fund's operations are ceased and the final audit is completed, the Bureau will no longer receive the revenue it has previously received from triennial audits of the Fund.

### Long-Range Fiscal Implications