

LRB or Bill No./Adm. Rule No.
AB 498
(99-3493/1)

Amendment No. if Applicable

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

FISCAL ESTIMATE

DOA-2048 N(R10/96)

Subject
Changing requirements for provision of an audit report by providers of care and services purchased by the department of health and family services or county departments.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
- Decrease Costs

Local: No local government costs

- | | | |
|--|--|--|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The bill increases the dollar threshold for requirement of audit reports for contracts for the purchase of care and services by DHFS or by a county department of social services, human services, developmental disabilities services or community programs. However, these audits may still be required for providers of care and services by request, if the purchaser has not previously contracted with the provider, if the purchaser has evidence that the provider has previously experienced significant financial management problems of if an audit is necessary to claim federal money.

Because fewer audit reports will be required under the proposal, audit review efforts can be more effectively focused on those audits for contracts over \$50,000. To the extent that care and service providers, including counties, can prepare and submit fewer audits, their efforts can be more effectively focused as well.

Long-Range Fiscal Implications

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Date 10-21-99

10/8/99