



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **SB 360** SLS 18RS 496  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 8, 2018 5:35 PM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> St. Tammany Local Auditees	<b>Analyst:</b> Bradley Cryer
<b>Subject:</b> Enhanced audits of certain local auditees	

LOCAL FINANCE OR NO IMPACT LF See Note Page 1 of 1

Reduces frequency of enhanced audits required of certain local auditees with at least three consecutive years of enhanced audits with no findings. (8/1/18)

**Purpose of Bill:** Provides that after three consecutive years of no exceptions resulting from the submission of additional information (as part of annual audits), those qualifying entities will only have to comply with the provisions of R.S. 24:513(J)(1)(c)(v)(aa) every three years rather than annually.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

**There is no anticipated direct material effect on overall local governmental expenditures as a result of this measure.**

R.S. 24:513(J)(1)(c)(v)(aa) provides for enhanced additional oversight by the Louisiana Legislative Auditor (LLA), who prescribes certain procedures that are performed in addition to each local entity's (those with revenues > \$75K) annual reporting requirements in St. Tammany Parish. These additional procedures are annually developed by the LLA and are assigned to local entities using a risk-based approach. That is, the procedures prescribed for each local entity can and do change each year based on the current risk assessment. It is expected that the total cost of this oversight will naturally decrease as recommendations for improvements in internal controls, policies and practices are implemented by the local entities. Also, we have assumed for purposes of this note that "findings" refers specifically to those exceptions that are identified during the performance of the additional assigned procedures.

SB 360 is not expected to have a net fiscal impact on either local entity revenues or expenditures in the aggregate because the cost savings of reductions in procedures prescribed for any one entity may likely be offset by the increased costs of additional procedures assigned to other entities depending on their current risk assessments.

**REVENUE EXPLANATION**

**There is no anticipated direct material effect on governmental revenues as a result of this measure.**

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Michael G. Battle**  
 Manager, Advisory Services