

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 14, 2013

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB448 by Fraser (Relating to the audit of certain river authorities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to authorize the State Auditor's Office (SAO) to audit the financial transactions of the Brazos River Authority (BRA) and the Lower Colorado River Authority (LCRA) would be required to reimburse the state auditor for the cost of the audit. The audit would be subject to approval by the Legislative Audit Committee for inclusion in the audit plan, and not later than December 31, 2015, the state auditor must prepare and file a written report for the audit.

According to the SAO, each financial transaction audit would require 3,200 hours to complete and would cost \$288,000 based on a billing rate of \$90 per hour (one audit would require travel at a cost of \$16,608) for a total estimated cost of \$579,808. The BRA and the LCRA would be required to reimburse the SAO for all costs associated with the audits which would offset all costs incurred by the State.

In accordance with Section 321.013 of the Government Code, all additional duties and responsibilities prescribed by the provisions of the bill would be proposed in the SAO's annual audit plan for Legislative Audit Committee approval.

Local Government Impact

There would be costs to the BRA and the LCRA for the financial transaction audits conducted by the SAO. The SAO reported each audit would require 3,200 hours to complete and would cost \$288,000 based on a billing rate of \$90 per hour (one audit would require travel at a cost of \$16,608) for a total estimated cost of \$579,808.

Source Agencies: 308 State Auditor's Office, LCR Lower Colorado River Authority

LBB Staff: UP, SZ, SD, TP