

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 7, 2013

TO: Honorable Troy Fraser, Chair, Senate 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 Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Water Code to authorize the State Auditor's Office (SAO) to audit the financial transactions of a special water authority and would require a district or authority 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 would be conducted not later than January 1, 2015. Under the provisions of the bill, the SAO would be required to audit the Lower Colorado River Authority (LCRA).

According to the SAO, the audit could include a financial opinion audit, or a financial-related audit, compliance or a performance audit. The audit would require 6,000 hours to complete and would cost \$540,000 based on a billing rate of \$90 per hour. The LCRA would be required to reimburse the SAO for all costs associated with the audit which would offset costs to 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 LCRA for the audit review by the SAO. The SAO reported the audit would require 6,000 hours to complete and would cost \$540,000 based on a billing rate of \$90 per hour.

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

LBB Staff: UP, SZ, SD, TP