BIENNIAL LEGISLATIVE AUDIT

House Bill 4185 with committee amendments
First Analysis (2-24-93)

Sponsor: Rep. Shirley Johnson
Committee: House Oversight & Ethics

THE APPARENT PROBLEM:

Recent highly publicized allegations of spending irregularities in the administration of the House Fiscal Agency have contributed to calls for regular financial audits of the legislature. While some parts of the legislature are audited on occasion by the auditor general's office, apparently there is no statutory requirement for regular periodic audits of each and every component. Further, some people believe that audits should be carried out by independent outside accounting firms rather than by government auditors.

THE CONTENT OF THE BILL:

The bill would require, beginning October 1, 1995, that the auditor general contract with a certified public accounting firm to conduct an audit of the financial transactions of the legislative branch, including both houses of the legislature and all legislative agencies, commissions, and councils. The completed audit would have to be submitted to the governor and each house of the legislature.

FISCAL IMPLICATIONS:

Testimony by representatives of the auditor general's office before the House Oversight and Ethics Committee suggested that an audit of the legislature could cost from $55,000 to $115,000. Officials said this was a "soft" estimate and that the cost was more likely to be on the higher end. The auditing contract would be awarded by competitive bid, officials said. (2-22-93)

ARGUMENTS:

For:
Requiring financial regular audits of the legislature by outside independent auditors will increase the public trust and help to prevent future abuses. Since audits are already being conducted of many legislative operations, the newly required audits would begin in 1995. Representatives of the auditor general have said they are in general agreement with the idea of contracting with outside auditors.

POSITIONS:

There are no positions at present.