


# LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor  
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:  
Cindy Jorgenson  
William Soller

## MEMORANDUM

**TO:** Members of the Legislative Audit Committee  
**FROM:** Angus Maciver, Legislative Auditor   
**DATE:** June 7, 2023  
**RE:** Consumer Counsel and Legislative Branch Audit Proposal

Until the passage of House Bill 132 of the 2023 Legislative Session, state law required a biennial audit of every state agency, which includes the Legislative Branch and Consumer Counsel. The division does not conduct the financial audits of the Consumer Counsel and Legislative Branch due to independence concerns. Instead, the division contracts for these audits with a public accounting firm through a competitive bidding process. During our prior procurement of audit services, only one firm submitted a bid. The firm is now requesting an increase in audit fees from \$18,500 to between \$30,000 and \$35,000 for the upcoming audit of the two fiscal years ended June 30, 2023.

With the passage of House Bill 132, compliance audits or audits of the financial affairs and transactions of state agencies is determined by the legislative auditor taking into consideration the agency's operations, risk, the complexity of its fiscal structure, and the nature and extent of previous audit findings.

We recognize the need and responsibility to provide oversight and information to the legislature and the public concerning financial activities of the Consumer Counsel and the Legislative Branch. The prior audits of both the branch and counsel contained unmodified opinions and no recommendations. Considering the substantial request for increased audit fees, the new focus on a risk-based approach, and results of the most recent audits, we propose exploring other types of audit-related services for the Consumer Counsel and the Legislative Branch that more directly address specific accounting and compliance risk. We will identify risk through discussion with Legislative Branch and Consumer Counsel personnel and pursue audit-related services most appropriate to address those risks. Examples may include review of year-end transaction processing, internal control, billing methodologies, compliance with procurement card policy, or travel reimbursements.

We are seeking Legislative Audit Committee input regarding this proposal.