



MEMO

To: MSL Commission
From: Jennie Stapp, State Librarian
Malissa Briggs, Central Services Administrator
Subject: House Bill 132 Modify timing of legislative audits
Date: April 24, 2023

[House Bill \(HB\) 132](#), which was signed by the Governor on April 19, 2023, modifies timing of audits by the Legislative Auditor; provides for an annual audit of the state annual finance report; provides for a transition from biennial to annual audit of federal assistance; provides guidance to the legislative auditor on selection of agencies for auditing based on certain considerations.

Specifically, instead of conducting financial and compliance audits every two years, effective immediately, the Legislative Audit Division will conduct compliance audits or audits of the financial affairs and transactions of all agencies, including the State Library, at intervals 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.

Additionally, beginning with Fiscal Year 2026, the Legislative Auditor will conduct an annual audit of federal assistance. For the State Library, this audit primarily focuses on Library Services and Technology Act funds.