

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	5 - 0 - 0
Yeas:	Beyer, Edwards C., Girod, Thatcher, Riley
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	5/1

WHAT THE MEASURE DOES: Directs the Secretary of State to enter into agreements with semi-independent state agencies and the Oregon Tourism Commission to set financial review schedules, and deletes the requirement that the Secretary set audit schedules for those entities. Relieves Secretary of duty to audit or review state agency when agency director retires under certain circumstances. Deletes requirement that Secretary post audit disbursements from the Department of Veterans' Affairs Conservatorship Revolving Account. Repeals requirement that Secretary audit account of sheriff who performs service for the state. Declares an emergency and takes effect upon passage.

ISSUES DISCUSSED:

- Cases where change of director audits would occur under the measure
- Cleanup of outdated mandates

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Audits Division of the Secretary of State, established in 1929, is responsible for carrying out the duties of the Secretary of State as the constitutional Auditor of Public Accounts. The division performs financial and compliance audits of all components of state government and state-aided institutions in accordance with generally accepted accounting principles to ensure they are conducting their financial operations properly. The division also does performance audits of state programs to determine whether they are conducted economically, effectively and efficiently, and performs special studies and investigations in response to allegations of misuse of state resources or inefficient management practices.

Current law requires the Audits Division to conduct audits of state agencies when the agency's director departs. Some such audits are time-consuming and expensive. The Audits Division estimates that over the three fiscal years preceding 2005 it conducted over 47 change of director audits, at a cost of over \$800,000. Senate Bill 70-A deletes required reviews and audits for areas that appear to be low-risk and limits instances when audits for retiring agency directors must occur.

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This summary has not been adopted or officially endorsed by action of the committee.