

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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

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**WHAT THE MEASURE DOES:** Expands the definition of persons who may be held accountable for the loss of \$100 or more in public funds or property to include employees and agents of the state. Directs state agencies to report loss within 30 days of discovery, and directs the Secretary of State Audits Division to make a determination of whether to investigate the loss within 30 days of receipt of such a report.

**ISSUES DISCUSSED:**

- Agencies currently setting their own thresholds
- Need for timelines

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon Audits Division was established in 1929 by the Legislative Assembly to carry out the constitutional responsibilities of the Secretary of State as auditor of public accounts. It is the only independent auditing organization in the state with the authority to review programs of agencies in all three branches of government. The Audits Division also conducts special investigations regarding potential misuse of state resources, and may involve state agencies, local governments, or contractors receiving state or federal funds from state agencies.

Current law requires a state agency that experiences a loss of public funds or property involving a public officer (elected or appointed state officer, board member, or commissioner) to report the loss to the Audits Division, which is then responsible for investigating the loss and present a report on the loss to the Governor. Senate Bill 72 revises ORS 297.120 to require reporting only of losses of \$100 or more and to require that the affected agency report the loss within 30 days of its discovery. The measure also stipulates that the Audits Division then has 30 days to determine whether to investigate the report and that a report to the Governor is required only if an investigation is conducted. Finally, Senate Bill 72 expands the list of state personnel to whom the loss of public funds or property reporting applies to include employees and agents of the agency, whether they are compensated or not.

5/2/2007 2:45:00 PM

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