

A-Engrossed
Senate Bill 70

Ordered by the Senate February 13
Including Senate Amendments dated February 13

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Secretary of State to enter into agreements with semi-independent state agencies and Oregon Tourism Commission to set financial review schedules. Deletes requirements that secretary set audit schedules for those entities.

[Deletes requirement that] **Allows** Secretary of State **to** audit or review state agency when director of agency retires.

Deletes requirement that Secretary of State post audit all disbursements made by Department of Veterans' Affairs from Conservatorship Revolving Account.

Repeals requirement that Secretary of State audit account of sheriff who performs service for state.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to audits by Secretary of State; creating new provisions; amending ORS 182.464, 182.472,
3 285A.277, 297.210 and 406.085; repealing ORS 206.320; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 182.464 is amended to read:

6 182.464. *[ORS 182.456 to 182.472 do not affect the duty and authority of the Secretary of State to*
7 *audit public accounts.]* The Secretary of State shall enter into agreements with each of the boards
8 to set appropriate *[audit]* **financial review** schedules for those boards. The *[audit schedule]* **financial**
9 **review schedules** shall be set to allow board compliance with ORS 182.472. In lieu of conducting
10 *[an audit]* **a financial review**, the Secretary of State may elect to *[accept the report of]* **contract for**
11 **the financial review with, or accept a financial review conducted by**, an independent certified
12 public accountant.

13 **SECTION 2.** ORS 182.472 is amended to read:

14 182.472. Not later than January 1 of each even-numbered year, each board subject to ORS
15 182.456 to 182.472 shall submit a report to the Governor, the President of the Senate, the Speaker
16 of the House of Representatives and the Legislative Fiscal Officer. The Legislative Fiscal Officer
17 shall review the reports and shall prepare and submit a statement of findings and conclusions to the
18 Joint Legislative Audit Committee. The report must include the following:

19 (1) A copy of the most recent audit **or financial review** of the board.

20 (2) A copy of the actual budget for the prior biennium and a copy of the board's adopted budget
21 for the biennium in which the report is made. The budget documents must show:

22 (a) The beginning balance and ending balance for each of the two biennia;

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) A description of material changes between the two biennia;

2 (c) A description of the public hearing process used to establish the budget adopted for the
3 current biennium; and

4 (d) A description of current fees and proposed changes to fees, along with information support-
5 ing the amounts of the current fees and any proposed changes to the fees.

6 (3) A description of all temporary and permanent rules adopted by the board since the last re-
7 port was submitted.

8 (4) A description of board actions promoting consumer protection that were taken since the last
9 report was submitted.

10 (5) If the board issues licenses, a description of the board's licensing activities performed since
11 the last report that is adequate to allow evaluation of the board's performance of its licensing re-
12 sponsibilities, including:

13 (a) The number of license applications;

14 (b) The number of licenses issued;

15 (c) The number of examinations conducted;

16 (d) The average time between application for and issuance of licenses;

17 (e) The number and types of complaints received about persons holding licenses;

18 (f) The number and types of investigations conducted;

19 (g) The number and types of resolutions of complaints;

20 (h) The number and type of sanctions imposed; and

21 (i) The number of days between beginning an investigation and reaching a resolution.

22 (6) A description of all other actions taken since the last report in the performance of the
23 board's statutory responsibilities that is adequate to allow evaluation of the board's performance.

24 **SECTION 3.** ORS 297.210 is amended to read:

25 297.210. (1) The Secretary of State, as State Auditor, shall have the accounts and financial af-
26 fairs of state departments, boards, commissions, institutions and state-aided institutions and agencies
27 of the state reviewed or audited as the Secretary of State considers advisable or necessary. The
28 Secretary of State may subpoena witnesses, require the production of books and papers and ren-
29 dering of reports in such manner and form as the Secretary of State requires and may do all things
30 necessary to secure a full and thorough investigation. The Secretary of State shall report, in writing,
31 to the Governor. The report shall include a copy of the report on each audit.

32 *[(2) An audit or review shall be made of any institution or department of the state government at*
33 *any time the executive head of the institution or department, for any reason, retires from the head's*
34 *office or position.]*

35 **(2) The Secretary of State may audit or review any institution or department of the state**
36 **government at any time the executive head of the institution or department, for any reason,**
37 **retires from the head's office or position. The secretary need not conduct an audit or review**
38 **under this subsection if:**

39 **(a) The institution or department has been the subject of an audit or review of financial**
40 **controls within the six months immediately preceding the retirement of the executive head**
41 **of the institution or department; or**

42 **(b) The secretary has not received a report within the 12 months immediately preceding**
43 **the retirement of the executive head of the institution or department indicating that the**
44 **executive head of the institution or department was unable or unwilling to follow state law,**
45 **rules, policies or procedures.**

1 (3) The Secretary of State shall employ auditors upon such terms and for such compensation as
2 the Secretary of State determines are advantageous and advisable.

3 (4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a
4 judge of the circuit court of any county, on application of the Secretary of State, shall compel obe-
5 dience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena
6 issued from the circuit court.

7 **SECTION 4.** ORS 406.085 is amended to read:

8 406.085. The Conservatorship Revolving Account is created, separate and distinct from the
9 General Fund, to provide for disbursement of funds for the beneficiary. Funds may also be disbursed
10 from the Conservatorship Revolving Account to the Conservatorship Services Account in compen-
11 sation for claims arising under ORS 406.100. The Conservatorship Revolving Account shall consist
12 of all money received by the Department of Veterans' Affairs as conservator or personal represen-
13 tative herein. Disbursement from the account shall be made by the department[, *and the Secretary*
14 *of State shall post audit all the disbursements*]. Interest earned by the account shall be credited to
15 the account.

16 **SECTION 5.** ORS 285A.277 is amended to read:

17 285A.277. [*ORS 285A.255 to 285A.288 do not affect the duty and authority of the Secretary of State*
18 *to audit public accounts.*] The Secretary of State shall enter into agreements with the Oregon
19 Tourism Commission to set an appropriate [*audit*] **financial review** schedule for the commission. In
20 lieu of conducting [*an audit*] **a financial review**, the Secretary of State may elect to [*accept the re-*
21 *port of*] **contract for the financial review with, or accept a financial review conducted by**, an
22 independent certified public accountant.

23 **SECTION 6.** ORS 206.320 is repealed.

24 **SECTION 7.** (1) **The amendments to ORS 182.464 and 182.472 by sections 1 and 2 of this**
25 **2007 Act apply to financial review schedules for financial reviews to be included in reports**
26 **to be submitted to the Governor and the Legislative Assembly not later than the date on**
27 **which the Seventy-fifth Legislative Assembly convenes.**

28 (2) **The amendments to ORS 297.210 by section 3 of this 2007 Act apply to audits or re-**
29 **views required to be made of an institution or department of state government when the**
30 **executive head of the institution or department retires on or after the effective date of this**
31 **2007 Act.**

32 (3) **The amendments to ORS 406.085 by section 4 of this 2007 Act apply to disbursements**
33 **made from the Conservatorship Revolving Account on or after the effective date of this 2007**
34 **Act.**

35 (4) **The repeal of ORS 206.320 by section 6 of this 2007 Act applies to services performed**
36 **by a sheriff on behalf of the state on or after the effective date of this 2007 Act.**

37 **SECTION 8.** **This 2007 Act being necessary for the immediate preservation of the public**
38 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
39 **on its passage.**

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