

## SENATE AMENDMENTS TO SENATE BILL 1099

By COMMITTEE ON EDUCATION AND GENERAL GOVERNMENT

February 7

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating new provisions;  
2 amending ORS 297.050 and 297.070;”.

3 In line 13, delete “seven” and insert “nine”.

4 In line 18, delete “and”.

5 In line 20, delete the period and insert “; and

6 “(e) The Governor shall appoint:

7 “(A) One member from the largest employee representative unit; and

8 “(B) One member from representable employees not represented by the employee representative  
9 unit described in subparagraph (A) of this paragraph.”.

10 On page 2, line 37, delete “shall” and insert “may”.

11 On page 3, after line 7, insert:

12 **“SECTION 3. (1) Each state agency that is audited by the Secretary of State under ORS**  
13 **297.070 or 297.210 shall review the audit report issued by the secretary and identify any audit**  
14 **recommendations that present an opportunity for continuous improvement for the agency.**

15 **“(2) Not later than three months after the date the secretary issues the audit report, the**  
16 **state agency shall report in writing to the Committee on Performance Excellence. The report**  
17 **shall describe the opportunities for continuous improvement identified by the agency.**

18 **“(3) Not later than six months after the date the secretary issues the audit report, the**  
19 **state agency shall report in writing to the committee. The report shall describe a plan for**  
20 **addressing the opportunities for continuous improvement identified by the agency under**  
21 **subsection (2) of this section.”.**

22 In line 8, delete “3” and insert “4”.

23 In line 14, delete the first “4” and insert “5” and delete “1 to 4” and insert “1 to 5”.

24 In line 24, delete “5” and insert “6”.

25 In line 26, after “member” insert “, the member from the largest employee representative  
26 unit”.

27 In line 28, before “Senate” insert “the” and after the third “member” insert “, the member from  
28 representable employees not represented by the largest employee representative unit”.

29 After line 31, insert:

30 **“SECTION 7. ORS 297.050 is amended to read:**

31 **“297.050. The Division of Audits of the office of the Secretary of State shall supply the Joint**  
32 **Legislative Audit Committee, the Committee on Performance Excellence established in section**  
33 **1 of this 2008 Act and the Legislative Fiscal Officer with a copy of each audit report made by or**  
34 **for the Division of Audits.**

35 **“SECTION 8. ORS 297.070 is amended to read:**

1           “297.070. (1) Performance and program audits of all state departments, boards, commissions, in-  
2           stitutions and state-aided institutions and agencies shall be conducted on the basis of risk assess-  
3           ment and on standards established by national recognized entities including, but not limited to, the  
4           United States General Accounting Office and the National Association of State Auditors. The Sec-  
5           retary of State shall adopt and the Joint Legislative Audit Committee shall approve rules specifying  
6           all criteria to be considered for conducting a performance or program audit under this section. The  
7           Secretary of State shall schedule the performance and program audits as directed by the Joint  
8           Legislative Audit Committee.

9           “(2) The Secretary of State may subpoena witnesses, may require the production of books and  
10          papers and rendering of reports in such manner and form as the Secretary of State requires and  
11          may do all things necessary to secure a full and thorough audit. The Secretary of State shall report,  
12          in writing, to the Legislative Assembly as provided in ORS 192.245 **and to the Committee on**  
13          **Performance Excellence established in section 1 of this 2008 Act.** The report shall include a  
14          copy of the report on each performance and program audit.

15          “(3) The Secretary of State, as State Auditor, shall contract with qualified private sector audi-  
16          tors to conduct audits required by this section, unless the Secretary of State determines that it is  
17          not practical or in the public interest to do so. If the Secretary of State determines that it is not  
18          practical or in the public interest to contract with qualified private sector auditors, after notifying  
19          the Joint Legislative Audit Committee, the Secretary of State shall employ auditors for such purpose  
20          and shall include in the written audit report the circumstances that rendered it impractical or not  
21          in the public interest to contract with qualified private sector auditors. All contracts for conducting  
22          performance and program audits under this section shall be in a form prescribed or approved by the  
23          Secretary of State. A copy of each completed contract shall be furnished to the Secretary of State  
24          and the Joint Legislative Audit Committee. The Secretary of State shall employ or contract with  
25          auditors upon terms and for compensation as the Secretary of State determines are advantageous  
26          and advisable.

27          “(4) An audit conducted under contract as provided in subsection (3) of this section shall be  
28          considered to be conducted by the Division of Audits for purposes of ORS 297.020, 297.050 and  
29          297.535.

30          “(5) If a person fails to comply with any subpoena issued under subsection (2) of this section, a  
31          judge of the circuit court of any county, on application of the Secretary of State, shall compel obe-  
32          dience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena  
33          issued from the circuit court.

34          “(6) The Secretary of State may enter into an agreement with the department, board, commis-  
35          sion, institution, state-aided institution or agency that is the subject of a performance or program  
36          audit for payment of the expenses incurred by the Secretary of State in conducting the audit. The  
37          Emergency Board may also make funds available to the Division of Audits to reimburse it for ex-  
38          penses incurred under this section.

39          “(7) As used in this section:

40          “(a) ‘Performance audit’ includes determining:

41          “(A) Whether an entity described in subsection (1) of this section that is the subject of the audit  
42          is acquiring, protecting and using its resources economically and efficiently;

43          “(B) The causes of inefficiencies or uneconomical practices; and

44          “(C) Whether the entity has complied with laws and regulations concerning matters of economy  
45          and efficiency.

