

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure
Vote: 4 - 0 - 1
Yeas: Burdick, Ferrioli, Metsger, Devlin
Nays: -
Exc.: Atkinson
Prepared By: Erin Seiler, Administrator
Meeting Dates: 6/1

WHAT THE MEASURE DOES: Requires certain state agencies to produce risk assessments and to use risk assessments as basis for selection and performance of at least one internal audit per calendar year. Requires agencies to file completed risk assessment or internal audit with Division of Audits of Office of Secretary of State.

ISSUES DISCUSSED:

- State auditing procedures and requirements
- Criteria for risk assessments and internal audits by agencies
- Ensuring that state agencies are operating appropriately and meeting performance objectives
- Creating a permanent Joint Legislative Audits Committee

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon Administrative Rule 125-700-0020 states that agencies are required to have an internal audit function if the agency has total biennial expenditures exceeding \$100 million, or the number of full-time equivalent employees exceeds 400, or the dollar value of cash items received and processed annually exceeds \$10 million. Oregon Administrative Rule 125-700-0025 outlines the requirements for agencies internal auditing standards to comply with nationally recognized audit standards.

House Bill 3139-A was brought forward with the anticipation that concerns within state agencies, such as those involving financial and other irregularities within the Oregon Youth Authority during the preceding biennium, may be avoided or reduced if internal audits are produced regularly.