

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact, no statement issued**

Action:	Do Pass
Vote:	3 - 0 - 2
Yeas:	Bonamici, Monroe, Shields
Nays:	0
Exc.:	Boquist, George
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	4/25, 5/16

WHAT THE MEASURE DOES: Deletes provision allowing a state agency to certify to the Secretary of State that money owed to the agency is uncollectable. Deletes the requirements that the Secretary approve the state agency's criteria for uncollectibility and state agency action to write off debt. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Removes potential conflict of interest for Secretary of State

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Government auditing standards require auditors to maintain independence from the management duties that involve the areas to be audited. Since the auditing errors of Enron and Arthur Anderson Consulting were exposed, the audit standards for independence have been tightened. The Office of the Secretary of State purports that it risks losing its position of independence when it is directing an agency to write off uncollectible debts and then later auditing the same agency.