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House Consumer Protection and Government Effectiveness Committee

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Testimony of Mary Wenger, Deputy Director
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Chair Fagan, members of the committee, my name is Mary Wenger, Deputy Director of the Secretary of State's Audits Division. Thank you for the opportunity to discuss HB 2175.

This bill addresses two housekeeping issues to reduce unnecessary paperwork. This bill eliminates the requirement that state agencies automatically submit documentation to the Audits Division when they need to hold money for more than one day before depositing it with the State Treasurer. In addition, this bill eliminates the requirement for commodity commissions to submit annual financial statements to the Audits Division.

State law requires state agencies to deposit monies to the State Treasurer not later than one business day after receipt, also referred to as the "next-day deposit requirement." However, agencies are authorized to take longer than the next day if they save documentation of a valid business reason in their official files and submit a copy of that documentation to the Audits Division. The State Treasurer also requires submission of this documentation when a state agency seeks an exception to the next-day deposit requirement.

These types of submissions to the Audits Division generally do not relate to ongoing audit activities and use up valuable staff resources to process. However, because the documentation could become relevant to

our annual audits of state agencies, HB 2175 will require state agencies to submit this documentation to the Secretary of State upon request.

The second issue that this bill addresses is certain submissions by commodity commissions. Statutes require commodity commissions to submit their annual financial statements to the Department of Agriculture and the Audits Division within 90 days of fiscal year-end, or by September 30. This Bill would eliminate the requirement for the commissions to submit their reports to the Audits Division. These reports generally do not relate to current auditing activities and use up valuable staff resources to process. Moreover, HB 2175 will require commodity commissions to submit their financial statements to the Secretary of State upon request.

Finally, I want to briefly address two minor amendments that we ask for in response to requests from the Department of Agriculture and the Treasurer's Office. The first amendment would shorten the timeframe for a commodity commission's submission of financial statements to the Department of Agriculture from 90 days to 30 days. The Department of Agriculture requested this change to align the statutory requirements with agency practice and policy requirements. The second amendment adds text that makes it even clearer that HB 2175 applies to those agencies that "bank" with Treasury.

Thank you for the opportunity to discuss this bill. I'm happy to answer any questions you may have.