

LC 586
2019 Regular Session
16500-003
9/13/18 (DFY/ps)

D R A F T

SUMMARY

Requires Division of Audits to submit written summary to legislative committees after completing performance audit. Requires audited entity to respond to written summary at request of committees.

Requires division to include in performance audit report recommendations for addressing risks. Requires audited entity to respond to recommendations and to report to division on implementation of recommendations.

Requires division to report to legislative committees on implementation of recommendations by audited entity and to verify implementation of recommendations.

Applies to audit reports issued on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to audit recommendation reporting; and prescribing an effective
3 date.

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

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part**
6 **of ORS chapter 297.**

7 **SECTION 2. (1)(a) After the Division of Audits completes a per-**
8 **formance audit, the Secretary of State or the secretary's designee**
9 **shall submit a written summary describing the findings of the audit**
10 **to the Joint Legislative Audit Committee and to an appropriate**
11 **standing or interim committee or subcommittee of the Legislative**
12 **Assembly designated by the Legislative Fiscal Officer.**

13 **(b) At the request of each committee, each entity that was the**
14 **subject of an audit under paragraph (a) of this subsection shall submit**

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 to the committee a response to the written summary in a manner
2 specified by the committee.

3 (2)(a) In each performance audit report, the division shall include
4 specific recommendations for addressing identified risks and weak-
5 nesses.

6 (b) An audited entity shall respond in writing to the division, spe-
7 cifically stating whether the entity agrees or disagrees with each rec-
8 ommendation. For each recommendation with which the entity agrees,
9 the entity shall identify the staff position responsible for implementing
10 the recommendation and the time frame for implementing the rec-
11 ommendation.

12 (3) An audited entity shall report to the division on the implemen-
13 tation of the recommendations no later than one year after the audit
14 report is issued or 10 business days after all recommendations with
15 which the entity agreed are implemented, whichever is earlier.

16 (4) After receiving a report from an audited entity under subsection
17 (3) of this section, the division shall submit a written report describing
18 the entity's implementation of the recommendations to the Joint
19 Legislative Audit Committee and the committee or subcommittee
20 identified under subsection (1) of this section.

21 (5) Using a risk-based methodology, the division shall verify an au-
22 dited entity's implementation of recommendations.

23 (6) As used in this section, "performance audit" has the meaning
24 given that term in ORS 297.070.

25 **SECTION 3.** Section 2 of this 2019 Act applies to audit reports issued
26 on or after January 1, 2020.

27 **SECTION 4.** This 2019 Act takes effect on the 91st day after the date
28 on which the 2019 regular session of the Eightieth Legislative Assem-
29 bly adjourns sine die.

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