

HB 2110 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 1/24

WHAT THE MEASURE DOES:

Eliminates the requirement that certain state agencies withhold moneys from municipal corporations that fail to file audit reports with the Secretary of State. Removes provisions related to addressing deficiencies identified in audit reports. Increases expenditure thresholds for audit exemptions for municipal corporations. Replaces the requirement that certain municipal corporations have financial statements reviewed with requirement to have certain procedures performed on financial statements.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Audits Division of the Oregon Secretary of State is charged with protecting the public interest by ensuring that that public funds are spent in the manner that is statutorily required and permitted, and that public moneys are properly accounted for. This mission includes review of financial affairs of municipal corporations, a term that encompasses counties, cities, ports, school districts, community college districts, and public universities, as well as some other quasi-public entities. Municipal corporations over a specified size, measured in terms of total expenditures, are required to file annual audit reports, or, alternatively, to file an annual review report. Both audit reports and review reports require the participation of a licensed municipal auditor.