

SB 177 STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 4/20

WHAT THE MEASURE DOES:

Requires state agencies to produce materials relevant to audits conducted by Secretary of State. Provides that production of confidential or privileged material does not constitute waiver of confidentiality or privilege. Prohibits Secretary of State from using or disclosing confidential or privileged materials for any purpose except to carry out certain statutory duties. Specifies circumstances in which confidential or privileged information may be included in audit reports.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

[ORS Chapter 297](#) establishes the Audit Division (Division) within the office of the Secretary of State (office). It performs audits, reviews, and investigations as deemed necessary by the Secretary of State (Secretary). The Division is required to provide the Joint Legislative Audit Committee and the Legislative Fiscal Officer (Officer) with copies of all audits.

Performance audits of state entities aim to determine whether legislative, regulatory, and organizational goals and objectives are being achieved; the current status or condition of program operations; or implementation progress of legislative requirements within the legislatively approved budget. The Secretary may subpoena witnesses and may require the production of material needed for producing a full and thorough audit. Information provided to the office by the Department of Revenue is confidential and used solely for performing audits.

The office also conducts audits of accounts of state and state-aided institutions and agencies, which includes school districts and education service districts (districts). Prior to initiating the audit, the Secretary is required to provide notice to the districts with the opportunity for them to provide information related to the audit, which allows the Secretary to determine whether an audit will be conducted. The Secretary may subpoena witnesses and may require the production of material needed for producing a full and thorough audit.

Senate Bill 177 requires state agencies to produce materials relevant to audits conducted by Secretary of State and prohibits Secretary of State from using or disclosing confidential or privileged materials for any purpose except to carry out certain statutory duties.