

HB 2336 STAFF MEASURE SUMMARY

Carrier: Rep. Boice

Joint Committee On Legislative Audits

Action Date: 03/03/25

Action: Do Pass.

House Vote

Yeas: 4 - Boice, Gomberg, Grayber, Sanchez

Exc: 1 - Wallan

Senate Vote

Yeas: 5 - Bonham, Lieber, President Wagner, Robinson, Taylor

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Paul Siebert, Committee Coordinator

Meeting Dates: 2/24, 3/3

WHAT THE MEASURE DOES:

Clarifies the timing of required internal audits performed by state agencies and issuance of the annual report of these activities by the Department of Administrative Services.

Detailed Summary

Under current law the required annual internal audit report by the Department of Administrative Services (DAS) is due within the same calendar year as the internal audit activities being reported. DAS has addressed this through rule by making the reporting period align with fiscal years. Changes the statutory reporting period to every 12 month which will allow reporting by fiscal year and changes the DAS report due date from no later than December 31, to annually in the fiscal year following the reporting period.

ISSUES DISCUSSED:

- Changes recommended in Secretary of State 2018 audit on state agency internal audit functions
- Dates have been misaligned since 2005 when original measure was passed
- Reporting has always covered fiscal year periods

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under ORS 184.360 the Department of Administrative Services (DAS) is responsible for coordinating internal auditing in state agencies. The goal of this work is to promote effective use of resources, comply with audit standards, and complete statutorily required internal audit activities. DAS is also required to publish an annual report on statewide internal audit activities. In 2018, the Secretary of State Audits Division released their third report evaluating DAS coordination of statewide internal audit activities. In that report (2018-25) auditors recommended that DAS address the misalignment of reporting periods.