

# House Bill 2281

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Secretary of State Dennis Richardson)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Division of Audits 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 date.

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

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

5 **SECTION 2. (1)(a) In each performance audit report, the Division of Audits shall include**  
6 **specific recommendations for addressing identified risks and weaknesses, in accordance with**  
7 **the Generally Accepted Government Auditing Standards promulgated by the United States**  
8 **Government Accountability Office.**

9 **(b) Each entity that was a subject of the performance audit shall respond in writing to**  
10 **the division, specifically stating whether the entity agrees or disagrees with each recom-**  
11 **mendation. For each recommendation with which the entity agrees, the entity shall identify**  
12 **the staff position responsible for implementing the recommendation and the time frame for**  
13 **implementing the recommendation.**

14 **(2) Each entity that was a subject of the performance audit shall report to the division**  
15 **on the implementation of the recommendations no later than one year after the audit report**  
16 **is issued or 10 business days after all recommendations with which the entity agreed are**  
17 **implemented, whichever is earlier.**

18 **(3) After receiving a report from an audited entity under subsection (2) of this section,**  
19 **the division shall submit a written report describing the entity's implementation of the rec-**  
20 **ommendations to the Joint Legislative Audit Committee and to an appropriate standing or**  
21 **interim committee or subcommittee of the Legislative Assembly designated by the Legisla-**  
22 **tive Fiscal Officer.**

23 **(4) Using a risk-based methodology, the division shall verify an audited entity's imple-**  
24 **mentation of the recommendations.**

25 **(5) As used in this section, "performance audit" has the meaning given that term in ORS**  
26 **297.070.**

27 **SECTION 3. Section 2 of this 2019 Act applies to audit reports issued on or after January**  
28 **1, 2020.**

**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        **SECTION 4.** This 2019 Act takes effect on the 91st day after the date on which the 2019  
2 regular session of the Eightieth Legislative Assembly adjourns sine die.  
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