COMMITTEE RECOMMENDATIONS

The Committee may wish to recommend:

1. Each State agency or entity with collection responsibilities conducts a risk assessment of its collection functions and activities once every two years. Those assessments should encompass reviews of the agency’s:
   a. Legal authority to impose fines and penalties, seek cost recoveries and identify new areas where collections are not, but should, be conducted;
   b. Ability to accurately and timely collect and record valid debts and ensure they are properly reflected in financial statements;
   c. Resources devoted to identifying and collecting amounts due the State and their effectiveness at collecting debts;

2. Require the State Controller’s Office to conduct periodic audits of State agency collection systems.

3. That the Attorney General explore calling for language when an initiative is submitted for Title and Summary that requires 10% of total of any bond act proceeds to be retained until auditing establishes that funds have been expended legally in accordance with the provisions of the act. Any funds misspent, would be covered by the remaining proceeds from the act if the entity responsible for the misspent funds and does not exist to repay the act.

Additionally, the Committee may wish to proceed with legislation to require:

4. The repayment of misspent funds from any bond act by the entity identified as misusing funds based upon an independent audit.

5. Collections for all state agencies are directed to agencies with the existing power to act as collectors (i.e. Franchise Tax, the Attorney General, Board of Equalization, and Department of Labor).