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IN SUPPORT

***L.D. 2011, An Act Regarding the State Auditor's Reporting Requirements on
State Agencies' Financial Activities***

Senator Nangle, Representative Stover, and distinguished members of the Joint Standing Committee on State and Local Government; my name is Matt Dunlap and I live in Old Town, and I have the distinct honor and privilege to serve as State Auditor for the State of Maine. I am here today to present testimony in support of this legislation.

It's been a while since we discussed the origins of this legislation, which we can review either in your questions or in work session. That said, I would say that the results of the work that this committee commenced in enacting during the 130th Legislature, L.D. 1215, *Resolve, to Require the State Auditor to Report on Corrective Actions Regarding the Administration of Federal Grants* (now Chapter 42 of the Resolves of 2021), bore great fruit in terms of providing both summary and detailed information regarding the information gap left behind from our findings in the Single Audit and those that were disputed by state agencies.

Since we issued the report that was contemplated by Chapter 42, we have presented that report to this committee as well as the Joint Standing Committees on Government Oversight and Appropriations and Financial Affairs; we have also had requests to appear before other committees that we will try to schedule during this session.

The points of L.D.'s 1215 and 2011 are simply to provide information to oversight committees about how state agencies are doing in meeting the criteria set forth in law regarding the expenditure and deployment of Federal grants and other funds in the carrying out of their statutory missions. When we audit these areas, we are primarily auditing for compliance with grant and award criteria and for compliance with state and Federal laws. When we issue findings that enumerate gaps, those findings are generally taken seriously by the state agencies we review. At times, we and an agency may disagree about the nature or content of a finding; perhaps an agency has a different interpretation of a requirement than we do, or maybe (as is sometimes the case) an agency simply lacks resources to properly implement or execute a program or plan.

Either way, I operate under the understanding that given the breakneck schedule that the Legislature embraces during session, it can be incredibly challenging to stay on top of everything you need to

properly support these agencies while exercising your proper oversight role. That is why this information is important to you.

This legislation is before you today because L.D. 1215 was enacted as a Resolve, and its limits have been met. Now, with the experience of reporting findings from the 2021 Single Audit behind us, I believe we are prepared to institutionalize this reporting requirement as a permanent fixture for the Legislature's oversight review. I am happy to answer any questions of the Committee at the pleasure of the chair.