

# HOUSE BILL REPORT

## HB 1835

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### As Passed Legislature

**Title:** An act relating to audit resolution reports.

**Brief Description:** Requiring audit resolution reports.

**Sponsors:** By House Committee on Government Administration (originally sponsored by Representatives Skinner and Clements).

**Brief History:**

**Committee Activity:**

Government Administration: 3/5/97 [DP].

**Floor Activity:**

Passed House: 3/11/97, 97-0;

Passed House: 1/16/98, 93-0.

Senate Amended.

House Concurred.

Passed Legislature.

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### HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** Do pass. Signed by 12 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

**Staff:** Steve Lundin (786-7127).

**Background:** The major fiscal duties of the Governor, director of the Office of Financial Management, state treasurer, state auditor, and the Joint Legislative Audit and Review Committee (JLARC) are outlined in statute.

The state auditor must complete agency audits for legal and financial compliance with state law and report to the Legislature annually on these audits, among other duties. The auditor may also conduct performance audits if expressly authorized by the Legislature.

The state auditor has the authority to take exception to specific expenditures or practices related to an agency's financial transactions. When this occurs, the director

of the Office of Financial Management must cause corrective action to be taken promptly. Such action may include withholding appropriated funds.

**Summary of Bill:** If the state auditor takes exception to specific expenditures or practices of state agencies, the director of the Office of Financial Management must cause corrective action to be taken within six months. The director must report on the status of audit resolution annually to the appropriate committees of the Legislature, the state auditor, and the attorney general. The report must include any actions taken as a result of an audit, including types of personnel actions, costs and types of litigation, and the value of any recouped goods or services.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.