

State Government Committee

HB 2148

Brief Description: *Increasing the accountability and review of state agencies.*

Sponsors: *Representatives McMorris (co-prime sponsor), Romero (co-prime sponsor) and Woods.*

Brief Summary of Bill

- *Authorizes the legislative auditor and the state auditor to review the outcome and performance measures of a sample of state agencies.*

Hearing Date: *2/26/01*

Staff: *Catherine Blinn (786-7114).*

Background:

The state auditor, the office of financial management (OFM), and the joint legislative audit and review committee (JLARC) are authorized to conduct performance, fiscal, and compliance audits of state agencies and departments. During the regular legislative session every odd-numbered year, the JLARC must develop a performance audit work plan for the following 16-24 months identifying state agency programs that need a formal evaluation. In addition to conducting performance audits in accordance with the performance audit work plan, the JLARC is also authorized to: (a) examine whether appropriations are being expended for the purpose and within the restrictions established by the legislature; (b) examine the economy, efficiency, and effectiveness of state government and state agencies; (c) hold hearings, hear testimony, gather information, and make findings of fact; (d) conduct fiscal and program reviews of any state agency or program scheduled for termination; (e) receive reports from the state auditor regarding examinations or audits conducted at the request of the JLARC; and (f) receive reports from the governor or other state officials regarding any business relating to the economy, efficiency, and effectiveness of state government and state agencies.

A legislative auditor, hired by the JLARC, must work closely with legislative committees,

the state auditor, and the (OFM) to conduct performance audits and other reviews of state agencies and departments. The legislative auditor must make findings and recommendations to the JLARC and to legislative committees regarding the organization and operation of state agencies, and regarding the expenditure of state funds by local governments. The legislative auditor must assist legislative committees that are considering legislation affecting state agencies and their efficiency, and must work with the OFM and the legislative office of performance review to implement effective performance measures throughout state government. Following a performance audit, the legislative auditor must provide a copy of the audit report to the relevant agency and to the OFM for comment and an opportunity to respond. Any response must be included in the audit report presented to the JLARC. The JLARC must be provided a similar opportunity to comment and respond to the final report before it is ultimately released to the legislature and the public.

Summary of Bill:

The legislative auditor, with the cooperation of the state auditor and the OFM, must review the outcome and performance measures of specified state programs and agencies. The purpose of the reviews is to provide greater accountability to the public and ensure that the state has effective systems to assess performance. During the 2001-03 biennium, the legislative auditor must review the division of alcohol and substance abuse within the department of social and health services (DSHS), the children's administration of DSHS, and the department of ecology. The state auditor must review the department of licensing, the department of general administration, and the department of revenue. The reviews must: (a) determine whether performance and outcome measures are consistent with legislative mandates, strategic plans, mission statements, and goals and objectives; (b) examine how agency management uses performance and outcome measures to manage resources efficiently and effectively; (c) assess how performance benchmarks are established; (d) examine how the data is used to make planning and operational improvements; (e) determine how performance and outcome measures are used in budget planning, development, and allotment processes; (f) review how performance information is reported to and used by the legislature; (g) assess whether the performance measures are reliable; and (h) make recommendations as necessary. The legislative auditor must report the performance measure reviews to the JLARC and legislature as is customary for performance reviews.

The legislative auditor must work with the OFM and the state auditor to implement effective performance measures throughout the state. Reference to the legislative office of performance review is stricken because the entity was never enacted.

Appropriation: None.

Fiscal Note: Requested on 2/22/01.

Effective Date: The bill contains an emergency clause and takes effect immediately.