
SENATE BILL 6784

State of Washington 57th Legislature

2002 Regular Session

By Senators Kastama and Rasmussen

Read first time 02/05/2002. Referred to Committee on State & Local Government.

1 AN ACT Relating to performance audits; adding new sections to
2 chapter 43.09 RCW; and making an appropriation.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.09 RCW
5 to read as follows:

6 The legislature finds that public confidence in government at all
7 levels is essential and that programs to improve quality, efficiency,
8 and effectiveness of public functions must be enhanced.

9 Washington state's economic and competitive position in the world
10 and in the United States has a direct correlation to having efficient
11 management and oversight functions of state government. Inefficient
12 and wasteful government operations place an unacceptable burden on the
13 ability of Washington state to compete. The use of performance audits
14 to identify improvements and grade government operations will increase
15 business competitiveness, reduce tax burdens, improve unwieldy
16 regulatory oversight, and increase the success of all businesses, large
17 and small, in the highly competitive marketplace.

18 The intent of this act is to create the governor's performance
19 audit standards and scorecard commission. A strong, objective, and

1 independent commission is necessary to develop, oversee, and direct a
2 performance audit system for all government to ensure that government-
3 funded entities accomplish intended goals and are world class in
4 management, program outcomes, customer satisfaction, and efficiency.
5 The governor's performance audit standards and scorecard commission
6 shall facilitate, teach, motivate, and direct all organizations to
7 develop the management expertise to continuously improve through self-
8 audit.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.09 RCW
10 to read as follows:

11 The governor's performance audit standards and scorecard commission
12 is established.

13 (1) Commission members shall be appointed by the governor. The
14 governor shall ask for nominations of individuals who demonstrate
15 knowledge and expertise in auditing, performance management, quality
16 management, or a closely related field. Nominations shall be sought
17 from professional auditing, financial management, quality management,
18 and business management groups, associations, and businesses. The
19 governor shall select nine individuals from the list of nominations and
20 appoint a chair and a vice-chair. The state auditor shall provide the
21 staff and resources necessary for implementing sections 1 through 5 of
22 this act.

23 (2) Appointed members shall serve for terms of four years, with the
24 terms expiring on June 30th on the fourth year of the term. However,
25 in the case of the initial members, four members shall serve four-year
26 terms, three members shall serve three-year terms, and two members
27 shall serve two-year terms, with each of the terms expiring on June
28 30th of the applicable year. Appointees may be reappointed to serve
29 more than one term.

30 (3) Nonlegislative members of the commission shall be compensated
31 in accordance with RCW 43.03.220 and reimbursed for travel expenses
32 under RCW 43.03.050 and 43.03.060. Legislative members of the
33 commission shall be reimbursed in accordance with RCW 44.04.120.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.09 RCW
35 to read as follows:

36 Duties of the governor's performance audit standards and scorecard
37 commission include:

1 (1) Developing criteria for performance excellence and a scoring
2 system for grading overall agency performance. In developing criteria
3 and a scoring system, the commission shall consult with and seek input
4 from elected officials and professionals with a background in
5 performance management. Audit criteria shall be distributed at least
6 six weeks before an audit;

7 (2) Conducting performance audits of state agencies and
8 institutions of higher education;

9 (3) Releasing audit results to the public and providing public
10 recognition for outstanding effort. The governor's performance audit
11 standards and scorecard commission must report audit results to the
12 legislature by November 30th of each year;

13 (4) Conducting post audits on all audit findings and tracking
14 agency implementation of suggested corrective action;

15 (5) Providing and approving grants to agencies for the purpose of
16 implementing corrective actions; and

17 (6) Forming a committee to collect, disseminate, and share best
18 practices to state agencies and institutions of higher education.

19 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.09 RCW
20 to read as follows:

21 For purposes of sections 1 through 6 of this act, "performance
22 audit" means an objective systematic assessment, survey, or directed
23 self-assessment of state government or any of its agencies, programs,
24 functions, or activities in order to help public officials demonstrate
25 public accountability. Performance audits include, but are not
26 limited to: (1) Quality management practices; (2) independent and
27 effective internal audit functions; (3) internal and external customer
28 satisfaction; (4) program and periodic program reviews; (5) financial
29 and fiscal productivity and efficiency; and (6) regulatory and
30 procedural compliance.

31 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.09 RCW
32 to read as follows:

33 The governor's performance audit standards and scorecard commission
34 shall conduct performance audits or may contract performance audits to
35 public or private independent professional and technical experts
36 qualified to conduct performance audits.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.09 RCW
2 to read as follows:

3 As established in sections 3 through 5 of this act, the state
4 auditor may conduct performance audits by the governor's performance
5 audit standards and scorecard commission.

6 NEW SECTION. **Sec. 7.** The sum of one million dollars, or as much
7 thereof as may be necessary, is appropriated from the general fund to
8 the state auditor for the fiscal year ending June 30, 2003, solely for
9 costs associated with the governor's performance audit standards and
10 scorecard commission.

--- END ---