
SENATE BILL 6451

State of Washington

60th Legislature

2008 Regular Session

By Senators Tom, McAuliffe, Jacobsen, Kauffman, Kilmer, McDermott,
and Rasmussen

Read first time 01/16/08. Referred to Committee on Early Learning &
K-12 Education.

1 AN ACT Relating to costs of school district performance audits; and
2 amending RCW 43.09.470.

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

4 **Sec. 1.** RCW 43.09.470 and 2006 c 1 s 2 are each amended to read as
5 follows:

6 In addition to audits authorized under RCW 43.88.160, the state
7 auditor shall conduct independent, comprehensive performance audits of
8 state government and each of its agencies, accounts, and programs;
9 local governments and each of their agencies, accounts, and programs;
10 state and local education governmental entities and each of their
11 agencies, accounts, and programs; state and local transportation
12 governmental entities and each of their agencies, accounts, and
13 programs; and other governmental entities, agencies, accounts, and
14 programs. The term "government" means an agency, department, office,
15 officer, board, commission, bureau, division, institution, or
16 institution of higher education. This includes individual agencies and
17 programs, as well as those programs and activities that cross agency
18 lines. "Government" includes all elective and nonelective offices in
19 the executive branch and includes the judicial and legislative

1 branches. The state auditor shall review and analyze the economy,
2 efficiency, and effectiveness of the policies, management, fiscal
3 affairs, and operations of state and local governments, agencies,
4 programs, and accounts. These performance audits shall be conducted in
5 accordance with the United States general accounting office government
6 auditing standards. The scope for each performance audit shall not be
7 limited and shall include nine specific elements: (1) Identification
8 of cost savings; (2) identification of services that can be reduced or
9 eliminated; (3) identification of programs or services that can be
10 transferred to the private sector; (4) analysis of gaps or overlaps in
11 programs or services and recommendations to correct gaps or overlaps;
12 (5) feasibility of pooling information technology systems within the
13 department; (6) analysis of the roles and functions of the department,
14 and recommendations to change or eliminate departmental roles or
15 functions; (7) recommendations for statutory or regulatory changes that
16 may be necessary for the department to properly carry out its
17 functions; (8) analysis of departmental performance data, performance
18 measures, and self-assessment systems; and (9) identification of best
19 practices. The state auditor may contract out any performance audits.
20 For counties and cities, the audit may be conducted as part of audits
21 otherwise required by state law. Each audit report shall be submitted
22 to the corresponding legislative body or legislative bodies and made
23 available to the public on or before thirty days after the completion
24 of each audit or each follow-up audit. On or before thirty days after
25 the performance audit is made public, the corresponding legislative
26 body or legislative bodies shall hold at least one public hearing to
27 consider the findings of the audit and shall receive comments from the
28 public. The state auditor is authorized to issue subpoenas to
29 governmental entities for required documents, memos, and budgets to
30 conduct the performance audits. The state auditor may, at any time,
31 conduct a performance audit to determine not only the efficiency, but
32 also the effectiveness, of any government agency, account, or program.
33 No legislative body, officeholder, or employee may impede or restrict
34 the authority or the actions of the state auditor to conduct
35 independent, comprehensive performance audits. To the greatest extent
36 possible, the state auditor shall instruct and advise the appropriate
37 governmental body on a step-by-step remedy to whatever ineffectiveness
38 and inefficiency is discovered in the audited entity. For performance

1 audits of state government and its agencies, programs, and accounts,
2 the legislature must consider the state auditor reports in connection
3 with the legislative appropriations process. An annual report will be
4 submitted by the joint legislative audit and review committee by July
5 1st of each year detailing the status of the legislative implementation
6 of the state auditor's recommendations. Justification must be provided
7 for recommendations not implemented. Details of other corrective
8 action must be provided as well. For performance audits of local
9 governments and their agencies, programs, and accounts, the
10 corresponding legislative body must consider the state auditor reports
11 in connection with its spending practices. An annual report will be
12 submitted by the legislative body by July 1st of each year detailing
13 the status of the legislative implementation of the state auditor's
14 recommendations. Justification must be provided for recommendations
15 not implemented. Details of other corrective action must be provided
16 as well. The people encourage the state auditor to aggressively pursue
17 the largest, costliest governmental entities first but to pursue all
18 governmental entities in due course. Follow-up performance audits on
19 any state and local government, agency, account, and program may be
20 conducted when determined necessary by the state auditor. Revenues
21 from the performance audits of government account, created in RCW
22 43.09.475, shall be used for the cost of the performance audits,
23 including reimbursing school districts for the costs incurred by school
24 districts to gather or assemble the information requested by the
25 performance audit team.

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