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**SUBSTITUTE HOUSE BILL 2148**

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**State of Washington**

**64th Legislature**

**2016 Regular Session**

**By** House General Government & Information Technology (originally sponsored by Representatives Chandler, Pike, and Hudgins)

READ FIRST TIME 02/09/16.

1 AN ACT Relating to the state auditor including allowing for  
2 audits to be conducted by a private entity and establishing an appeal  
3 process; amending RCW 43.09.245; adding a new section to chapter  
4 43.09 RCW; and creating a new section.

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

6 **Sec. 1.** RCW 43.09.245 and 1995 c 301 s 14 are each amended to  
7 read as follows:

8 (1) The state auditor has the power to examine all the financial  
9 affairs of every local government and its officers and employees.

10 (2) Local governments may request a financial audit from a  
11 private entity in lieu of an audit by the state auditor. Any entity  
12 performing a financial audit under this section must meet generally  
13 accepted government auditing standards.

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

16 A state agency or local government may appeal the results of any  
17 audit pursuant to the administrative procedure act. The audit report  
18 may not be made public until the appeal process is complete and the  
19 results of the appeal addressed. The state auditor shall adopt  
20 appropriate rules which must include that the presiding officer of

1 the appeal shall be an administrative law judge assigned by the  
2 office of administrative hearings in accordance with chapter 34.12  
3 RCW. The provisions of RCW 34.05.425 regarding disqualification for  
4 bias, prejudice, interest, or any other cause apply.

5 NEW SECTION. **Sec. 3.** NULL AND VOID. If specific funding for  
6 purposes of this act, referencing this act by bill or chapter number,  
7 is not provided by June 30, 2016, in the supplemental omnibus  
8 operating appropriations act, this act is null and void.

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