S-0373.2

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**SENATE BILL 5405**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senators Hasegawa, Conway, Liias, Nguyen, Saldaña, and Wilson, C.

AN ACT Relating to racial equity analysis for the joint legislative audit and review committee work; amending RCW 44.28.005; and adding a new section to chapter 44.28 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 44.28 RCW to read as follows:

The joint committee shall incorporate a racial equity analysis into performance audits, sunset reviews, and other audits or reports conducted by the joint committee. The joint committee shall note in its audits, reviews, and reports if a racial equity analysis is not necessary or appropriate. The joint committee may work with the office of equity and the ethnic commissions to design the racial equity analysis required under this section.

**Sec.**  RCW 44.28.005 and 1996 c 288 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Legislative auditor" means the executive officer of the joint legislative audit and review committee.

(2) "Economy and efficiency audits" means performance audits that establish: (a) Whether a state agency or unit of local government receiving state funds is acquiring, protecting, and using its resources such as personnel, property, and space economically and efficiently; (b) the causes of inefficiencies or uneconomical practices; and (c) whether the state agency or local government has complied with significant laws and rules in acquiring, protecting, and using its resources.

(3) "Ethnic commissions" means the Washington state commission on African American affairs established in chapter 43.113 RCW, the Washington state commission on Asian Pacific American affairs established in chapter 43.117 RCW, and the Washington state commission on Hispanic affairs established in chapter 43.115 RCW.

(4) "Final compliance report" means a written document, as approved by the joint committee, that states the specific actions a state agency or unit of local government receiving state funds has taken to implement recommendations contained in the final performance audit report and the preliminary compliance report. Any recommendations, including proposed legislation and changes in the agency's rules and practices or the local government's practices, based on testimony received, must be included in the final compliance report.

((~~(4)~~)) (5) "Final performance audit report" means a written document adopted by the joint legislative audit and review committee that contains the findings and proposed recommendations made in the preliminary performance audit report, the final recommendations adopted by the joint committee, any comments to the preliminary performance audit report by the joint committee, and any comments to the preliminary performance audit report by the state agency or local government that was audited.

((~~(5)~~)) (6) "Joint committee" means the joint legislative audit and review committee.

((~~(6)~~)) (7) "Local government" means a city, town, county, special purpose district, political subdivision, municipal corporation, or quasi-municipal corporation, including a public corporation created by such an entity.

((~~(7)~~)) (8) "Performance audit" means an objective and systematic assessment of a state agency or any of its programs, functions, or activities, or a unit of local government receiving state funds, by an independent evaluator in order to help public officials improve efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits. A performance audit of a local government may only be made to determine whether the local government is using state funds for their intended purpose in an efficient and effective manner.

((~~(8)~~)) (9) "Performance measures" are a composite of key indicators of a program's or activity's inputs, outputs, outcomes, productivity, timeliness, and/or quality. They are means of evaluating policies and programs by measuring results against agreed upon program goals or standards.

((~~(9)~~)) (10) "Preliminary compliance report" means a written document that states the specific actions a state agency or unit of local government receiving state funds has taken to implement any recommendations contained in the final performance audit report.

((~~(10)~~)) (11) "Preliminary performance audit report" means a written document prepared for review and comment by the joint legislative audit and review committee after the completion of a performance audit. The preliminary performance audit report must contain the audit findings and any proposed recommendations to improve the efficiency, effectiveness, or accountability of the state agency or local government audited.

((~~(11)~~)) (12) "Program audits" means performance audits that determine: (a) The extent to which desired outcomes or results are being achieved; (b) the causes for not achieving intended outcomes or results; and (c) compliance with significant laws and rules applicable to the program.

((~~(12)~~)) (13) "State agency" or "agency" means a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education. "State agency" includes all elective offices in the executive branch of state government.

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