

SENATE BILL REPORT

ESHB 1372

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 7, 1993

Brief Description: Creating the government accountability task force.

SPONSORS: House Committee on State Government (originally sponsored by Representatives Pruitt, R. Fisher, Mielke, Sheldon, Dorn, Long, Veloria, Roland, Romero, Shin, R. Meyers, Finkbeiner, Jones, Dunshee, Jacobsen, Riley, Holm, Mastin, Kessler, Linville, Springer, Wolfe, Franklin, Kremen, Johanson, Karahalios, Flemming, Tate, L. Johnson, J. Kohl, Dellwo, G. Cole and Anderson; by request of State Auditor)

HOUSE COMMITTEE ON STATE GOVERNMENT

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Pelz, Quigley, Roach, L. Smith, Snyder, Sutherland, Talmadge, West, and Williams.

Staff: Steve Jones (786-7715)

Hearing Dates: April 2, 1993; April 7, 1993

BACKGROUND:

Reviews of state agency programs are conducted by several entities. The Governor's Commission for Efficiency and Accountability in Government, within the Office of Financial Management, conducts operational and organizational reviews of selected agencies and programs. The Legislative Budget Committee (LBC) conducts performance audits and reviews programs that are scheduled for repeal under the sunset process. The State Auditor conducts financial and legal audits, but is statutorily prohibited from conducting performance audits.

SUMMARY:

Each state agency is required to define its mission and adopt measurable goals by July 1, 1994, and submit them to the Legislature for approval by January 1, 1995. In developing budget requests, each agency must establish objectives for each major program in its budget.

The Government Accountability Task Force is established to advise the Legislature on establishing a comprehensive program

accountability system. Membership of the task force includes five legislators (including the chair of the LBC), the State Auditor, the Director of Financial Management, the Superintendent of Public Instruction, the Chair of the Higher Education Coordinating Board, and representatives from business, public employee labor organizations, and public interest groups. Staff to the task force is provided by the LBC.

The task force is directed to present to the Legislature by December 31, 1995, recommendations to improve government accountability. The recommendations are required to include a plan for performance audits, identifying the scope and type of audits to be performed and agency conducting them. The recommendations shall also include a plan for a statewide performance-based program evaluation system.

The task force expires on December 1, 1995.

The State Auditor is authorized to conduct performance audits pursuant to the recommendations of the task force if the recommendations are adopted by the Legislature.

The bill is made contingent upon specific funding being provided in the omnibus appropriations act prior to June 30, 1993.

SUMMARY OF PROPOSED SENATE AMENDMENT:

In developing budget proposals to the Legislature, state agencies are required to establish result-oriented goals, objectives, and success measures.

The Office of Financial Management (OFM) shall develop a system of internal controls and internal audits as fiscal safeguards and to promote operational efficiency. Each agency is responsible for maintaining these internal controls, which are to be used by the State Auditor in conducting financial examinations.

The Legislative Budget Committee shall establish a biennial work plan for agency performance audits and program evaluations. The committee may employ contract evaluators for this purpose.

The State Auditor may conduct performance audits only as authorized to do so in the state biennial budget act. Where information relating to agency performance is discovered incidental to a financial audit, the State Auditor may report to the Legislature.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill will provide valuable analysis on the expenditure of tax dollars and will improve the efficiency of government.

TESTIMONY AGAINST: None

TESTIFIED: Representative Wes Pruitt; Brian Sontagg, State Auditor; Kim F. Kenney, CPA