

# SENATE BILL REPORT

## HB 1835

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As Reported By Senate Committee On:  
Ways & Means, February 23, 1998

**Title:** An act relating to audit resolution reports.

**Brief Description:** Requiring audit resolution reports.

**Sponsors:** Representatives Skinner and Clements.

**Brief History:**

**Committee Activity:** Ways & Means: 2/19/98, 2/23/98 [DPA].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators West, Chair; Deccio, Vice Chair; Bauer, Fraser, Hochstatter, Long, Loveland, McDonald, Roach, Rossi, Schow, B. Sheldon, Snyder, Swecker, Winsley and Zarelli.

**Staff:** Steve Jones (786-7440)

**Background:** The State Auditor is required by statute to periodically perform audits of all state agencies for legal and financial compliance with state law and report to the Legislature annually on these audits. The Auditor may also conduct performance audits if expressly authorized by the Legislature.

The State Auditor has the authority to take exception to specific expenditures or practices related to an agency's financial transactions, and report these exceptions to the Office of Financial Management and the Attorney General. When this occurs, the Director of Financial Management must cause corrective action to be taken promptly. Such action may include withholding funds.

**Summary of Amended Bill:** If the State Auditor takes exception to specific expenditures or practices, the Director of Financial Management must cause corrective action to be taken within six months. The director must report on the status of audit resolution annually to the appropriate committees of the Legislature, the State Auditor, and the Attorney General. The report must include any actions taken as a result of an audit, including types of personnel actions, costs and types of litigation, and the value of any recouped goods or services.

**Amended Bill Compared to Original Bill:** The amendment makes technical updates to the affected statute to reflect statutory changes made in 1997.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The State Auditor and the Office of Financial Management support the bill as part of an ongoing process of improving audit and accounting procedures to ensure accountability and timely resolution of audit findings. While not all audit findings will be completely resolved within the six-month period, initial action will be more timely under this bill.

**Testimony Against:** None.

**Testified:** PRO: Maureen Morris, Office of Financial Management; Linda Long, State Auditor's Office.