

# HOUSE BILL ANALYSIS

## HB 3012

**Title:** AN ACT Relating to enhancing legislative auditing and review authority.

**Brief Description:** Enhancing legislative audit and review authority.

**Sponsor:** Dunshee.

### BRIEF SUMMARY

- Renames the joint legislative audit and review committee as the performance audit office.
- Retains the members of the joint legislative audit and review committee as members of the performance audit office, along with the state auditor who is an ex officio, non-voting member.
- Provides that the legislative auditor is appointed to a 10-year term of office by members of the performance audit office, rather than being hired by members, and may only be removed from office on various grounds by concurrent resolution of both houses of the legislature.
- Grants all of the powers of the prior joint legislative audit and review committee to the legislative auditor, other than the authority to appoint the legislative auditor, establish the salary of the legislative auditor, and adopt a performance audit work plan for the legislative auditor to conduct performance audits.

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### HOUSE STATE GOVERNMENT COMMITTEE

**Staff:** Steve Lundin (786-7127)

#### BACKGROUND:

Legislation was enacted in 1993 allowing the state auditor to conduct performance audits of state agencies, if expressly authorized by the legislature in the omnibus biennial appropriation acts.

Legislation was enacted in 1996 renaming the legislative budget committee as the joint legislative audit and review committee (JLARC), granting that committee to develop a performance audit work plan, and authorizing the legislative auditor perform the approved performance audits. The JLARC hires the state auditor who hires and supervises staff of the JLARC. That legislation also provided that the performance audit work plan adopted by the JLARC could authorize the state auditor to conduct performance audits.

**SUMMARY:**

The JLARC is renamed as the performance audit office. Members of the prior JLARC become members of the performance audit office, along with the state auditor who sits as an ex officio, non-voting member.

The legislative auditor is appointed by the members of the performance audit office for a 10-year term, rather than being hired by the members, and may only be removed from that position by concurrent resolution of both houses of the legislature for: (1) Permanent disability; (2) inefficiency; (3) neglect of duty; (4) malfeasance; or (5) conviction of a felony or conduct involving moral turpitude.

The prior authorities of the JLARC, other than the authority to hire the legislative auditor, set the salary of the legislative auditor, and to adopt the performance audit plan controlling the performance audit work of the legislative auditor, are transferred to the legislative auditor. This includes the authority to conduct sunset audits.

The legislative auditor is given additional authority to engage in the following activities:

- Investigate all matters relating to the receipt and use of public moneys by state agencies and local governments.
- Estimate the cost to the state of a specific appropriation and report each estimate to the legislature.
- Analyze the expenditures of any state agency and expenditures of state funds distributed to local governments that the legislative auditor believes will help the legislature decide whether public money has been used and expended economically and efficiently.

These new authorities are similar to the authorities possessed by the comptroller general and general accounting office with regard to federal moneys.

**Rule Making Authority:** No express authority.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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