(DIGEST AS ENACTED)

Finds that: (1) Citizens demand and deserve accountability of public programs. Public programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;

- (2) Washington state government and other entities that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars;
- (3) An independent citizen oversight board is necessary to establish an annual assessment and performance grading program to ensure that government services, customer satisfaction, program efficiency, and management systems are world class in performance;
- (4) Fair, independent, professional performance audits of state agencies by the state auditor are essential to improving the efficiency and effectiveness of government; and
- (5) The performance audit activities of the joint legislative audit and review committee should be supplemented by making fuller use of the state auditor's resources and capabilities.

Creates the citizen advisory board to improve efficiency, effectiveness, and accountability in state government.

Provides that, by June 30, 2007, and each four years thereafter, the joint legislative audit and review committee shall contract with a private entity for a performance audit of the performance audit program established in this act and the board's responsibilities under the performance audit program.

Encourages the office of the administrator for the courts to conduct performance audits of courts under the authority of the supreme court, in conformity with criteria and methods developed by the board for judicial administration that have been approved by the supreme court.

Provides that each biennium the legislature shall appropriate such sums as may be necessary, not to exceed an amount equal to two one-hundredths of one percent of the total general fund state appropriation in that biennium's omnibus operating appropriations act for purposes of the performance review, performance audits, and activities of the board authorized by this act.

VETO MESSAGE ON HB 1064-S

May 11, 2005

To the Honorable Speaker and Members, The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 4, Engrossed Substitute House Bill No. 1064 entitled:

"AN ACT Relating to improving government performance and

accountability."

This bill is an important step in strengthening accountability in state government agencies. Alongside the Government Management, Accountability, and Performance program (GMAP), the statewide performance audits contemplated in this bill usher in a new era of responsible state governance.

In discussion with our State Auditor, I have decided to veto Section 4 of this bill due to funding considerations. Section 4 establishes an assessment and grading program, and authorizes the citizen advisory board to contract each year for an assessment and grading of all agency management systems, as well as all agency technology, procurement, compliance monitoring, on-line contracting and internal audit systems. The performance assessment and grading program, if implemented in all agencies every year in a meaningful way, is likely to quickly exhaust the appropriated funding for performance audits.

In addition, with the passage of House Bill 1970, all agencies will be required to apply for an independent assessment of their management systems every three years. The assessments that would result will identify strengths and weaknesses in each agency's management systems, and will give agencies more actionable feedback on a regular basis. Section 4 of Engrossed Substitute House Bill No. 1064 therefore duplicates efforts that will be accomplished more cost-effectively under House Bill 1970.

For these reasons, I have vetoed Section 4 of Engrossed Substitute House Bill No. 1064.

With the exception of Section 4, Engrossed Substitute House Bill No. 1064 is approved.

Respectfully submitted, Christine O. Gregoire Governor