

HB 1856-S - DIGEST

(DIGEST AS ENACTED)

Requires the department to: (1) Prepare financial statements on the state fund in accordance with generally accepted accounting principles, including but not limited to financial statements on the accident fund, the medical aid fund, the supplemental pension fund, and the second injury fund. Statements must be presented separately by fund and in the aggregate; and

(2) Prepare financial information for the accident fund, medical aid fund, and pension reserve fund based on statutory accounting practices and principles promulgated by the national association of insurance commissioners for the purpose of maintaining actuarial solvency of these funds.

Provides that, beginning in 2006, and, to avoid duplication, coordinated with any audit that may be conducted under RCW 43.09.310, the state auditor shall conduct annual audits of the state fund. As part of the audits required under this act, the auditor may contract with firms qualified to perform all or part of the financial audit, as necessary.

Requires the firm or firms conducting the reviews to be familiar with the accounting standards applicable to the accounts under review and shall have experience in workers' compensation reserving, discounting, and rate making.

Requires the auditor to issue an annual report to the governor, the leaders of the majority and minority caucuses in the senate and the house of representatives, the director of the office of financial management, and the director of the department of labor and industries on the results of the financial audit and reviews, within six months of the end of the fiscal year. The report may include recommendations.

Requires the audit report to be available for public inspection.