

SHB 1094 - H AMD 465

By Representative Ericksen

FAILED 03/26/2007

1 On page 65, after line 28, insert the following:

2 "NEW SECTION. Sec. 617. (1) For the period from July 1, 2007,  
3 until June 30, 2009, the amount of \$500,000 is appropriated from the  
4 motor vehicle account and \$500,000 is appropriated from the  
5 transportation partnership account and \$500,000 is appropriated from  
6 the transportation 2003 account (nickel account) and \$500,000 is  
7 appropriated from the multimodal account to the state auditor's office  
8 for the purposes of subsections (2) through (9) of this section.

9 (2) The legislature finds that:

10 (a) Citizens demand and deserve accountability of transportation-  
11 related programs and expenditures. Transportation-related programs  
12 must continuously improve in quality, efficiency, and effectiveness in  
13 order to increase public trust;

14 (b) Transportation-related agencies that receive tax dollars must  
15 continuously improve the way they operate and deliver services so that  
16 citizens receive maximum value for their tax dollars; and

17 (c) Fair, independent, comprehensive performance audits of  
18 transportation-related agencies overseen by the elected state auditor  
19 are essential to improving the efficiency, economy, and effectiveness  
20 of the state's transportation system.

21 (3) For the purposes of this section:

22 (a) "Performance audit" means an objective and systematic  
23 assessment of a state agency or agencies or any of their programs,  
24 functions, or activities by the state auditor or designee in order to  
25 help improve agency efficiency, effectiveness, and accountability.  
26 Performance audits include economy and efficiency audits and program  
27 audits.

28 (b) "Transportation-related agency" means any state agency, board,  
29 or commission that receives funding primarily for transportation-  
30 related purposes. At a minimum, the department of transportation, the

1 transportation improvement board or its successor entity, the county  
2 road administration board or its successor entity, the traffic safety  
3 commission, the Washington state patrol, the department of licensing,  
4 and the transportation commission are considered transportation-related  
5 agencies.

6 (4) Within the authorities and duties under chapter 43.09 RCW, the  
7 state auditor shall establish criteria and protocols for performance  
8 audits. Transportation-related agencies shall be audited using  
9 criteria that includes generally accepted government auditing standards  
10 as well as legislative mandates and performance objectives established  
11 by state agencies. Mandates include, but are not limited to, agency  
12 strategies, timelines, program objectives, and mission and goals as  
13 required in RCW 43.88.090.

14 (5) Within the authorities and duties under chapter 43.09 RCW, the  
15 state auditor may conduct performance audits for transportation-related  
16 agencies. The state auditor shall contract with private firms to  
17 conduct the performance audits.

18 (6) The audits may include:

19 (a) Identification of programs and services that can be eliminated,  
20 reduced, consolidated, or enhanced;

21 (b) Identification of funding sources to the transportation-related  
22 agency, to programs, and to services that can be eliminated, reduced,  
23 consolidated, or enhanced;

24 (c) Analysis of gaps and overlaps in programs and services and  
25 recommendations for improving, dropping, blending, or separating  
26 functions to correct gaps or overlaps;

27 (d) Analysis and recommendations for pooling information technology  
28 systems used within the transportation-related agency, and evaluation  
29 of information processing and telecommunications policy, organization,  
30 and management;

31 (e) Analysis of the roles and functions of the transportation-  
32 related agency, its programs, and its services and their compliance  
33 with statutory authority and recommendations for eliminating or  
34 changing those roles and functions and ensuring compliance with  
35 statutory authority;

36 (f) Recommendations for eliminating or changing statutes, rules,  
37 and policy directives as may be necessary to ensure that the

1 transportation-related agency carry out reasonably and properly those  
2 functions vested in the agency by statute;

3 (g) Verification of the reliability and validity of transportation-  
4 related agency performance data, self-assessments, and performance  
5 measurement systems as required under RCW 43.88.090;

6 (h) Identification of potential cost savings in the transportation-  
7 related agency, its programs, and its services;

8 (i) Identification and recognition of best practices;

9 (j) Evaluation of planning, budgeting, and program evaluation  
10 policies and practices;

11 (k) Evaluation of personnel systems operation and management;

12 (l) Evaluation of purchasing operations and management policies and  
13 practices;

14 (m) Evaluation of organizational structure and staffing levels,  
15 particularly in terms of the ratio of managers and supervisors to  
16 nonmanagement personnel; and

17 (n) Evaluation of transportation-related project costs including,  
18 but not limited to, environmental mitigation, competitive bidding  
19 practices, permitting processes, and capital project management.

20 (7) Within the authorities and duties under chapter 43.09 RCW, the  
21 state auditor must provide the preliminary performance audit reports to  
22 the audited state agency for comment. The auditor also may seek input  
23 on the preliminary report from other appropriate officials. Comments  
24 must be received within thirty days after receipt of the preliminary  
25 performance audit report unless a different time period is approved by  
26 the state auditor. The final performance audit report must include the  
27 objectives, scope, and methodology; the audit results, including  
28 findings and recommendations; the agency's response and conclusions;  
29 and identification of best practices.

30 (8) The state auditor shall provide final performance audit reports  
31 to the citizens of Washington, the governor, the joint legislative  
32 audit and review committee, the transportation performance audit board,  
33 the appropriate legislative committees, and other appropriate  
34 officials. Final performance audit reports shall be posted on the  
35 internet.

36 (9) The audited transportation-related agency is responsible for  
37 follow-up and corrective action on all performance audit findings and  
38 recommendations. The audited agency's plan for addressing each audit

1 finding and recommendation shall be included in the final audit report.  
2 The plan must provide the name of the contact person responsible for  
3 each action, the action planned, and the anticipated completion date.  
4 If the audited agency does not agree with the audit findings and  
5 recommendations or believes that action is not required, then the  
6 action plan must include an explanation and specific reasons.

7 The office of financial management shall require periodic progress  
8 reports from the audited agency until all resolution has occurred. The  
9 office of financial management is responsible for achieving audit  
10 resolution. The office of financial management shall annually report  
11 by December 31st the status of performance audit resolution to the  
12 appropriate legislative committees and the state auditor. The  
13 legislature shall consider the performance audit results in connection  
14 with the state budget process.

15 The auditor may request status reports on specific audits or  
16 findings."

EFFECT: Directs the State Auditor to perform performance audits on transportation-related agencies. The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. Funding of \$2 million is provided for the audits during the 2007-09 biennium.

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