
HOUSE BILL 1008

State of Washington 64th Legislature 2015 Regular Session

By Representatives Smith, Hudgins, Hayes, Stanford, Moeller,
Magendanz, and Buys

Prefiled 12/08/14. Read first time 01/12/15. Referred to Committee
on Gen Govt & Info Tech.

1 AN ACT Relating to authorizing the state auditor to conduct
2 audits of state government and local agencies' data storage and
3 management practices thereby protecting privacy and securing personal
4 information from computer hacking or misuse of data; and amending RCW
5 43.09.050, 43.09.055, and 43.09.185.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 43.09.050 and 1992 c 118 s 6 are each amended to
8 read as follows:

9 The auditor shall:

10 (1) Except as otherwise specifically provided by law, audit the
11 accounts of all collectors of the revenue and other holders of public
12 money required by law to pay the same into the treasury;

13 (2) In his or her discretion, inspect the books of any person
14 charged with the receipt, safekeeping, and disbursement of public
15 moneys;

16 (3) Investigate improper governmental activity under chapter
17 42.40 RCW;

18 (4) In his or her discretion, conduct an audit of a state or
19 local agency's data management and storage practices;

20 (5) Inform the attorney general in writing of the necessity for
21 the attorney general to direct prosecutions in the name of the state

1 for all official delinquencies in relation to the assessment,
2 collection, and payment of the revenue, against all persons who, by
3 any means, become possessed of public money or property, and fail to
4 pay over or deliver the same, and against all debtors of the state;

5 ~~((+5))~~ (6) Give information in writing to the legislature,
6 whenever required, upon any subject relating to the financial affairs
7 of the state, or touching any duties of his or her office;

8 ~~((+6))~~ (7) Report to the director of financial management in
9 writing the names of all persons who have received any moneys
10 belonging to the state, and have not accounted therefor;

11 ~~((+7))~~ (8) Authenticate with his or her official seal papers
12 issued from his or her office;

13 ~~((+8))~~ (9) Make his or her official report annually on or before
14 the 31st of December.

15 **Sec. 2.** RCW 43.09.055 and 1998 c 232 s 3 are each amended to
16 read as follows:

17 The state auditor may, where there is reasonable cause to believe
18 that a misuse of state moneys has occurred, or misuse or
19 inappropriate management of citizen data, conduct an audit of
20 financial, data management, and legal compliance of any entity that
21 receives public moneys through contract or grant in return for
22 services. This authority includes examinations of ~~((not-for-profit~~
23 ~~corporations—wh))~~ nonprofit corporations that provide personal
24 services to a state agency or to clients of a state agency. Such a
25 financial audit shall be performed in a manner consistent with this
26 chapter, and may be performed according to an agreed upon procedures
27 engagement as in the existing 1998 standards of the American
28 institute of certified public accountants professional standards
29 section 600.

30 The state auditor may charge the contracting agency, whether
31 state or local, for the costs of an audit of a ~~((not-for-profit))~~
32 nonprofit corporation that receives public moneys through contract or
33 grant in return for services. Any contracting agency that is
34 responsible to the state auditor for such costs shall use due
35 diligence to recover costs from the audited entity.

36 **Sec. 3.** RCW 43.09.185 and 1995 c 301 s 8 are each amended to
37 read as follows:

1 State agencies and local governments shall immediately report to
2 the state auditor's office known or suspected loss of public funds or
3 assets, computer breaches, or other illegal activity.

--- END ---