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**SUBSTITUTE SENATE BILL 5206**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Becker, Miloscia, Bailey, Braun, Padden, Hewitt, Hill, Dammeier, Honeyford, and Parlette)

READ FIRST TIME 02/26/15.

1 AN ACT Relating to state audit findings of noncompliance with  
2 state law; amending RCW 43.09.310; and adding a new section to  
3 chapter 43.09 RCW.

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

5 **Sec. 1.** RCW 43.09.310 and 2005 c 387 s 2 are each amended to  
6 read as follows:

7 (1) Except as provided in subsection (2) of this section, the  
8 state auditor shall annually audit the statewide combined financial  
9 statements prepared by the office of financial management and make  
10 post-audits of state agencies. Post-audits of state agencies shall be  
11 made at such periodic intervals as is determined by the state  
12 auditor. Audits of combined financial statements shall include  
13 determinations as to the validity and accuracy of accounting methods,  
14 procedures and standards utilized in their preparation, as well as  
15 the accuracy of the financial statements themselves. A report shall  
16 be made of each such audit and post-audit upon completion thereof,  
17 and one copy shall be transmitted to the governor, one to the  
18 director of financial management, one to the state agency audited,  
19 one to the joint legislative audit and review committee, one each to  
20 the standing committees on ways and means of the house and senate,  
21 one to the chief clerk of the house, one to the secretary of the

1 senate, and at least one shall be kept on file in the office of the  
2 state auditor. A copy of any report containing findings of  
3 noncompliance with state law shall be transmitted to the attorney  
4 general and shall be subject to the process provided in section 2 of  
5 this act.

6 (2) Audits of the department of labor and industries must be  
7 coordinated with the audits required under RCW 51.44.115 to avoid  
8 duplication of audits.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.09  
10 RCW to read as follows:

11 (1) Within thirty days of receipt of an audit under RCW 43.09.310  
12 containing findings of noncompliance with state law, the subject  
13 state agency shall submit a response and a plan for remediation to  
14 the governor, the state auditor, the office of financial management,  
15 the joint legislative audit and review committee, and the relevant  
16 fiscal and policy committees of the senate and house of  
17 representatives.

18 (2) If, at the next succeeding audit of the subject state agency,  
19 the state auditor determines that the subject state agency has failed  
20 to make substantial progress in remediating the noncompliance with  
21 state law, the state auditor shall notify the entities specified in  
22 subsection (1) of this section.

23 (3) Upon receipt of a notification under subsection (2) of this  
24 section, a fiscal or policy committee of the senate or house of  
25 representatives may refer the matter to the senate committee on  
26 facilities and operations or the executive rules committee of the  
27 house of representatives, which committee may refer the matter to the  
28 attorney general for appropriate legal action under RCW 43.09.330.

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