
**State Government, Elections &
Information Technology Committee**

SSB 5372

Brief Description: Addressing state audit findings of noncompliance with state law.

Sponsors: Senate Committee on State Government (originally sponsored by Senators Becker, Rivers, Brown, Miloscia, O'Ban, Zeiger and Angel).

Brief Summary of Substitute Bill

- Requires state agencies receiving a State Auditor's Office (Auditor) post-audit finding of noncompliance with state law to submit a remediation plan to the Governor, relevant legislative committees, and other entities.
- Requires the Auditor to notify the Governor, relevant legislative committees, and other entities if substantial progress in remediation is not made at the subsequent audit.
- Allows specified legislative committees to refer a failure to make substantial progress in remediation to the Attorney General.

Hearing Date: 3/15/17

Staff: Joan Elgee (786-7106).

Background:

The State Auditor (Auditor) annually audits certain financial statements prepared by the Office of Financial Management (OFM) and also conducts post-audits of state agencies at intervals determined by the Auditor. A post-audit is an audit of the books, records, funds, accounts, and financial transactions of a state agency for a complete fiscal period. The Auditor must send reports of its audits to the Governor, the OFM, the state agency audited, the Joint Legislative Audit and Review Committee (JLARC), legislative fiscal committees, and the Secretary of the Senate and Chief Clerk of the House of Representatives (House). The Auditor must send reports of audits finding that an agency has not complied with state law to the Attorney General.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

Several steps are mandated if the Auditor finds, in an audit, that an agency has not complied with state law.

Within 30 days of receiving an audit finding that the agency has not complied with state law, the audited agency must submit a response and remediation plan to the OFM. The OFM must then submit the response and remediation plan to the Governor, Auditor, JLARC, and relevant House and Senate fiscal and policy committees (legislative committees) within 60 days of the initial audit findings. If, at the next succeeding audit, the Auditor determines that the audited agency has not made substantial progress in remediating its noncompliance, the Auditor must notify the OFM, Governor, Auditor, JLARC, and legislative committees.

A legislative committee may refer a failure to make substantial progress in remediating noncompliance to the Senate Committee on Facilities and Operations or the Executive Rules Committee of the House, which may refer the matter to the Attorney General for legal action.

Appropriation: None.

Fiscal Note: Requested on March 7, 2017.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.