

**SHB 1009** - S COMM AMD

By Committee on State Government, Tribal Relations & Elections

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"Sec. 1.** RCW 43.09.185 and 1995 c 301 s 8 are each amended to  
4 read as follows:

5 State agencies and local governments shall (~~immediately~~) report  
6 to the state auditor's office known or suspected loss of public funds  
7 or assets or other illegal activity. The state auditor must adopt  
8 policies as necessary to implement this section.

9 **Sec. 2.** RCW 43.09.230 and 1995 c 301 s 12 are each amended to  
10 read as follows:

11 The state auditor shall require from every local government  
12 financial reports covering the full period of each fiscal year, in  
13 accordance with the forms and methods prescribed by the state  
14 auditor, which shall be uniform for all accounts of the same class.

15 Such reports shall be prepared, certified, and filed with the  
16 state auditor within one hundred fifty days after the close of each  
17 fiscal year.

18 The reports shall contain accurate statements, in summarized  
19 form, of all collections made, or receipts received, by the officers  
20 from all sources; all accounts due the public treasury, but not  
21 collected; and all expenditures for every purpose, and by what  
22 authority authorized; and also: (1) A statement of all costs of  
23 ownership and operation, and of all income, of each and every public  
24 service industry owned and operated by a local government; (2) a  
25 statement of the entire public debt of every local government, to  
26 which power has been delegated by the state to create a public debt,  
27 showing the purpose for which each item of the debt was created, and  
28 the provisions made for the payment thereof; and (3) a classified  
29 statement of all receipts and expenditures by any public institution;  
30 (~~and (4) a statement of all expenditures for labor relations~~

1 consultants, ~~with the identification of each consultant,~~  
2 ~~compensation, and the terms and conditions of each agreement or~~  
3 ~~arrangement;)~~) together with such other information as may be  
4 required by the state auditor.

5 The reports shall be certified as to their correctness by the  
6 state auditor, the state auditor's deputies, or other person legally  
7 authorized to make such certification.

8 Their substance shall be published in an annual volume of  
9 comparative statistics at the expense of the state as a public  
10 document.

11 **Sec. 3.** RCW 43.09.420 and 1993 c 216 s 1 are each amended to  
12 read as follows:

13 As part of the routine audits of state agencies, the state  
14 auditor shall audit all revolving funds, local funds, and other state  
15 funds and state accounts that are not managed by or in the care of  
16 the state treasurer and that are under the control of state agencies,  
17 including but not limited to state departments, boards, and  
18 commissions. In conducting the audits of these funds and accounts,  
19 the auditor shall examine revenues and expenditures or assets and  
20 liabilities, accounting methods and procedures, and recordkeeping  
21 practices. (~~In addition to including the results of these~~  
22 ~~examinations as part of the routine audits of the agencies, the~~  
23 ~~auditor shall report to the legislature on the status of all such~~  
24 ~~funds and accounts that have been examined during the preceding~~  
25 ~~biennium and any recommendations for their improved financial~~  
26 ~~management. Such a report shall be filed with the legislature within~~  
27 ~~five months of the end of each biennium regarding the funds and~~  
28 ~~accounts audited during the biennium. The first such report shall be~~  
29 ~~filed by December 1, 1993, regarding any such funds and accounts~~  
30 ~~audited during the 1991-93 biennium.))~~)

31 NEW SECTION. **Sec. 4.** The following acts or parts of acts are  
32 each repealed:

33 (1) 2012 c 164 s 709 (uncodified);

34 (2) 2012 c 1 s 201 (uncodified);

35 (3) 2005 c 385 s 1 (uncodified);

36 (4) RCW 43.09.265 (Local government accounting—Review of tax  
37 levies of local governments) and 1995 c 301 s 16 & 1979 ex.s. c 218 s  
38 7;

1 (5) RCW 43.09.430 (Performance audits—Definitions) and 2005 c 385  
2 s 2;  
3 (6) RCW 43.09.435 (Performance audits—Citizen advisory board) and  
4 2005 c 385 s 3;  
5 (7) RCW 43.09.440 (Performance audits—Collaboration with joint  
6 legislative audit and review committee—Criteria—Statewide  
7 performance review—Contracting out—Release of audit reports) and  
8 2012 c 229 s 817 & 2005 c 385 s 5;  
9 (8) RCW 43.09.445 (Performance audits—Local jurisdictions) and  
10 2005 c 385 s 6;  
11 (9) RCW 43.09.450 (Performance audits—Audit of performance audit  
12 program) and 2005 c 385 s 8;  
13 (10) RCW 43.09.455 (Performance audits—Follow-up and corrective  
14 action—Progress reports) and 2005 c 385 s 9;  
15 (11) RCW 43.09.460 (Performance audits—Appropriation—Budget  
16 request) and 2005 c 385 s 11; and  
17 (12) RCW 43.88.162 (State auditor's powers and duties—Performance  
18 audits) and 2005 c 385 s 7."

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19 On page 1, line 1 of the title, after "procedures;" strike the  
20 remainder of the title and insert "amending RCW 43.09.185, 43.09.230,  
21 and 43.09.420; repealing RCW 43.09.265, 43.09.430, 43.09.435,  
22 43.09.440, 43.09.445, 43.09.450, 43.09.455, 43.09.460, and 43.88.162;  
23 and repealing 2012 c 164 s 709, 2012 c 1 s 201, and 2005 c 385 s 1  
24 (uncodified)."

**EFFECT:** (1) Requires the Auditor's Office develop policies regarding state agency and local government reporting of known or suspected loss of funds or assets or other illegal activity to the auditor's office.

(2) Removes requirement for the Auditor to distribute reports to local government.

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