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**SUBSTITUTE SENATE BILL 5405**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Hasegawa, Conway, Lias, Nguyen, Saldaña, and Wilson, C.)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to racial equity analysis for the joint  
2 legislative audit and review committee work; amending RCW 44.28.005;  
3 and adding a new section to chapter 44.28 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 44.28  
6 RCW to read as follows:

7 The joint committee shall incorporate a racial equity analysis  
8 into performance audits, sunset reviews, and other audits or reports  
9 conducted by the joint committee. The joint committee shall note in  
10 its audits, reviews, and reports if a racial equity analysis is not  
11 necessary or appropriate. The joint committee may work with the  
12 office of equity, the governor's office of Indian affairs, the LGBTQ  
13 commission, the Washington state women's commission, and the ethnic  
14 commissions to design the racial equity analysis required under this  
15 section.

16 **Sec. 2.** RCW 44.28.005 and 1996 c 288 s 2 are each amended to  
17 read as follows:

18 Unless the context clearly requires otherwise, the definitions in  
19 this section apply throughout this chapter.

1 (1) "Legislative auditor" means the executive officer of the  
2 joint legislative audit and review committee.

3 (2) "Economy and efficiency audits" means performance audits that  
4 establish: (a) Whether a state agency or unit of local government  
5 receiving state funds is acquiring, protecting, and using its  
6 resources such as personnel, property, and space economically and  
7 efficiently; (b) the causes of inefficiencies or uneconomical  
8 practices; and (c) whether the state agency or local government has  
9 complied with significant laws and rules in acquiring, protecting,  
10 and using its resources.

11 (3) "Ethnic commissions" means the Washington state commission on  
12 African American affairs established in chapter 43.113 RCW, the  
13 Washington state commission on Asian Pacific American affairs  
14 established in chapter 43.117 RCW, and the Washington state  
15 commission on Hispanic affairs established in chapter 43.115 RCW.

16 (4) "Final compliance report" means a written document, as  
17 approved by the joint committee, that states the specific actions a  
18 state agency or unit of local government receiving state funds has  
19 taken to implement recommendations contained in the final performance  
20 audit report and the preliminary compliance report. Any  
21 recommendations, including proposed legislation and changes in the  
22 agency's rules and practices or the local government's practices,  
23 based on testimony received, must be included in the final compliance  
24 report.

25 ((4)) (5) "Final performance audit report" means a written  
26 document adopted by the joint legislative audit and review committee  
27 that contains the findings and proposed recommendations made in the  
28 preliminary performance audit report, the final recommendations  
29 adopted by the joint committee, any comments to the preliminary  
30 performance audit report by the joint committee, and any comments to  
31 the preliminary performance audit report by the state agency or local  
32 government that was audited.

33 ((5)) (6) "Joint committee" means the joint legislative audit  
34 and review committee.

35 ((6)) (7) "Local government" means a city, town, county,  
36 special purpose district, political subdivision, municipal  
37 corporation, or quasi-municipal corporation, including a public  
38 corporation created by such an entity.

39 ((7)) (8) "Performance audit" means an objective and systematic  
40 assessment of a state agency or any of its programs, functions, or

1 activities, or a unit of local government receiving state funds, by  
2 an independent evaluator in order to help public officials improve  
3 efficiency, effectiveness, and accountability. Performance audits  
4 include economy and efficiency audits and program audits. A  
5 performance audit of a local government may only be made to determine  
6 whether the local government is using state funds for their intended  
7 purpose in an efficient and effective manner.

8 ~~((8))~~ (9) "Performance measures" are a composite of key  
9 indicators of a program's or activity's inputs, outputs, outcomes,  
10 productivity, timeliness, and/or quality. They are means of  
11 evaluating policies and programs by measuring results against agreed  
12 upon program goals or standards.

13 ~~((9))~~ (10) "Preliminary compliance report" means a written  
14 document that states the specific actions a state agency or unit of  
15 local government receiving state funds has taken to implement any  
16 recommendations contained in the final performance audit report.

17 ~~((10))~~ (11) "Preliminary performance audit report" means a  
18 written document prepared for review and comment by the joint  
19 legislative audit and review committee after the completion of a  
20 performance audit. The preliminary performance audit report must  
21 contain the audit findings and any proposed recommendations to  
22 improve the efficiency, effectiveness, or accountability of the state  
23 agency or local government audited.

24 ~~((11))~~ (12) "Program audits" means performance audits that  
25 determine: (a) The extent to which desired outcomes or results are  
26 being achieved; (b) the causes for not achieving intended outcomes or  
27 results; and (c) compliance with significant laws and rules  
28 applicable to the program.

29 ~~((12))~~ (13) "State agency" or "agency" means a state agency,  
30 department, office, officer, board, commission, bureau, division,  
31 institution, or institution of higher education. "State agency"  
32 includes all elective offices in the executive branch of state  
33 government.

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