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## Financial Institutions & Insurance Committee

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### HB 3010

**Brief Description:** Conducting performance audits of state investment board investment services contracts.

**Sponsors:** Representatives Anderson, Chandler, Bailey and Miloscia.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires the State Auditor to conduct performance audits of the State Investment Board's investment contracts every eight years.</li></ul>
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**Hearing Date:** 1/26/10

**Staff:** Alison Hellberg (786-7152).

**Background:**

The State Auditor's Office (Auditor) is established in the state Constitution as part of the executive branch of state government. The Auditor performs audits to look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, the Auditor conducts performance audits of state agencies and local governments. The State Investment Board manages the investment of the funds of the state retirement systems, as well as other public and trust funds.

**Summary of Bill:**

In addition to the performance audits and audits related to financial information already authorized, the State Auditor is required to conduct performance audits of the State Investment Board's investment contracts every 8 years. The first audit must be completed by December 1, 2010.

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*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.*

The scope for each performance audit may not be limited and must include the following elements:

- services actually provided under the contract in comparison to the services originally contracted;
- identification of services that can be reduced or eliminated;
- a comparison of investment performance and services obtained through the contract compared to industry-wide performance data, performance measures, and self-assessment systems; and
- identification of best practices.

**Appropriation:** None.

**Fiscal Note:** Requested on January 22, 2010.

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