

**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 may adopt  
8 policies as necessary to implement this section.

9 **Sec. 2.** RCW 43.09.186 and 2007 c 41 s 1 are each amended to read  
10 as follows:

11 (1) Within existing funds, the state auditor must establish a  
12 toll-free telephone line that is available to public employees and  
13 members of the public to recommend measures to improve efficiency in  
14 state and local government and to report waste, inefficiency, or  
15 abuse, as well as examples of efficiency or outstanding achievement,  
16 by state and local agencies, public employees, or persons under  
17 contract with state and local agencies.

18 (2) The state auditor must prepare information that explains the  
19 purpose of the hotline, and the hotline telephone number must be  
20 prominently displayed in the information. Hotline information must be  
21 posted in all government offices in locations where it is most likely  
22 to be seen by the public. The state auditor must publicize the  
23 availability of the toll-free hotline through print and electronic  
24 media and other means of communication with the public.

25 (3) The state auditor must designate staff to be responsible for  
26 processing recommendations for improving efficiency and reports of  
27 waste, inefficiency, or abuse received through the hotline. The state  
28 auditor must conduct an initial review of each recommendation for  
29 efficiency and report of waste, inefficiency, or abuse made by public  
30 employees and members of the public. Following the initial review,  
31 the state auditor must determine which assertions require further

1 examination or audit under the auditor's current authority and must  
2 assign qualified staff.

3 (4) The identity of a person making a report through the hotline,  
4 by email through the state auditor's web site, or other means of  
5 communication is confidential at all times unless the person making a  
6 report consents to disclosure by written waiver, or until the  
7 investigation described in subsection (3) of this section is  
8 complete. All documents related to the report and subsequent  
9 investigation are also confidential until completion of the  
10 investigation or audit or when the documents are otherwise  
11 statutorily exempt from public disclosure.

12 (5) The state auditor must prepare a written determination of the  
13 results of the investigation performed, including any background  
14 information that the auditor deems necessary. The state auditor must  
15 report publicly the conclusions of each investigation and recommend  
16 ways to correct any deficiency and to improve efficiency. The reports  
17 must be distributed to the affected state and local agencies.

18 (6) The state auditor must provide an annual overview and update  
19 of hotline investigations, including the results and efficiencies  
20 achieved, to the legislature and to the appropriate legislative  
21 committees.

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

24 As part of the routine audits of state agencies, the state  
25 auditor shall audit all revolving funds, local funds, and other state  
26 funds and state accounts that are not managed by or in the care of  
27 the state treasurer and that are under the control of state agencies,  
28 including but not limited to state departments, boards, and  
29 commissions. In conducting the audits of these funds and accounts,  
30 the auditor shall examine revenues and expenditures or assets and  
31 liabilities, accounting methods and procedures, and recordkeeping  
32 practices. ~~((In addition to including the results of these  
33 examinations as part of the routine audits of the agencies, the  
34 auditor shall report to the legislature on the status of all such  
35 funds and accounts that have been examined during the preceding  
36 biennium and any recommendations for their improved financial  
37 management. Such a report shall be filed with the legislature within  
38 five months of the end of each biennium regarding the funds and  
39 accounts audited during the biennium. The first such report shall be~~

1 ~~filed by December 1, 1993, regarding any such funds and accounts~~  
2 ~~audited during the 1991-93 biennium.))~~

3 NEW SECTION. **Sec. 4.** RCW 43.09.265 (Local government accounting  
4 —Review of tax levies of local governments) and 1995 c 301 s 16 &  
5 1979 ex.s. c 218 s 7 are each repealed.

6 NEW SECTION. **Sec. 5.** The following acts or parts of acts are  
7 each repealed:

8 (1) 2012 c 164 s 709 (uncodified);

9 (2) 2012 c 1 s 201 (uncodified);

10 (3) 2005 c 385 s 1 (uncodified);

11 (4) RCW 43.09.430 (Performance audits—Definitions) and 2005 c 385  
12 s 2;

13 (5) RCW 43.09.435 (Performance audits—Citizen advisory board) and  
14 2005 c 385 s 3;

15 (6) RCW 43.09.440 (Performance audits—Collaboration with joint  
16 legislative audit and review committee—Criteria—Statewide  
17 performance review—Contracting out—Release of audit reports) and  
18 2012 c 229 s 817 & 2005 c 385 s 5;

19 (7) RCW 43.09.445 (Performance audits—Local jurisdictions) and  
20 2005 c 385 s 6;

21 (8) RCW 43.09.450 (Performance audits—Audit of performance audit  
22 program) and 2005 c 385 s 8;

23 (9) RCW 43.09.455 (Performance audits—Follow-up and corrective  
24 action—Progress reports) and 2005 c 385 s 9;

25 (10) RCW 43.09.460 (Performance audits—Appropriation—Budget  
26 request) and 2005 c 385 s 11; and

27 (11) RCW 43.88.162 (State auditor's powers and duties—Performance  
28 audits) and 2005 c 385 s 7."

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29 On page 1, line 1 of the title, after "procedures;" strike the  
30 remainder of the title and insert "amending RCW 43.09.185, 43.09.186,  
31 and 43.09.420; repealing RCW 43.09.265, 43.09.430, 43.09.435,  
32 43.09.440, 43.09.445, 43.09.450, 43.09.455, 43.09.460, and 43.88.162;

1 and repealing 2012 c 164 s 709, 2012 c 1 s 201, and 2005 c 385 s 1  
2 (uncodified)."

EFFECT: Removes amendments to RCW 43.09.230, maintaining the requirement that local government financial reports include a statement of all expenditures for labor relations consultants.

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