

eligible for approval.

(c) Any community project applicant whose application for approval is denied will be afforded an opportunity for an informal hearing before the secretary or his designee, but the administrative procedure act, chapter 34.04 RCW, shall not apply.

NEW SECTION. Sec. 12. There is added to chapter 39, Laws of 1965 and to chapter 74.36 RCW a new section to read as follows:

(a) State funds made available under this 1971 amendatory act for any project shall not exceed fifty per centum of the nonfederal share of the costs. To the extent that federal law permits, and the secretary or his designee deems appropriate, the local community share and/or the state share may be in the form of cash or in-kind resources.

(b) Payments made under this 1971 amendatory act may be made in advance or by way of reimbursement, and in such installments and on such conditions as the secretary or his designee may determine, including provisions for adequate accounting systems, reasonable record retention periods and financial audits.

Passed the House March 30, 1971.

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CHAPTER 170

[Substitute House Bill No. 545]

LEGISLATIVE BUDGET COMMITTEE--

MANAGEMENT SURVEYS AND PROGRAM REVIEWS

AN ACT Relating to state government; amending section 43.09.050, chapter 8, Laws of 1965 and RCW 43.09.050; amending section 43.09.310, chapter 8, Laws of 1965 and RCW 43.09.310; amending section 43.88.160, chapter 8, Laws of 1965 as amended by section 49, chapter 8, Laws of 1967 ex. sess. and RCW 43.88.160; and adding a new section to chapter 44.28 RCW.

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

Section 1. Section 43.09.050, chapter 8, Laws of 1965 and RCW 43.09.050 are each amended to read as follows:

The auditor shall:

(1) Audit, adjust, and settle all claims against the state, payable out of the treasury, except such as are expressly required by law to be audited and settled by other persons;

(2) Except as otherwise specifically provided by law, audit, settle, and adjust the accounts of all collectors of the revenue and

other holders of public money required by law to pay the same into the treasury;

(3) In his discretion, inspect the books of any person charged with the receipt, safekeeping, and disbursement of public moneys;

(4) Direct prosecutions in the name of the state for all official delinquencies in relation to the assessment, collection, and payment of the revenue, against all persons who, by any means, become possessed of public money or property, and fail to pay over or deliver the same, and against all debtors of the state;

(5) Give information in writing to the legislature, whenever required, upon any subject relating to the financial affairs of the state, or touching any duties of his office;

(6) Require all persons who have received any moneys belonging to the state, and have not accounted therefor, to settle their accounts and make payment thereof;

(7) In his discretion, require any person presenting an account for settlement to be sworn before him, and to answer, orally or in writing, as to any facts relating to it;

(8) Authenticate with his official seal papers issued from his office;

(9) Make his official report biennially, on or before the 31st of December, in each year, preceding the meeting of the legislature.

Sec. 2. Section 43.09.310, chapter 8, Laws of 1965 and RCW 43.09.310 are each amended to read as follows:

The state auditor, through the division of departmental audits, shall make a post-audit of every state department at ~~((least once each year))~~ such reasonable periodic intervals as he shall determine but in each case an audit shall be conducted every two years. A report of each post-audit upon completion thereof, shall be made in ~~((quintuplicate))~~ sextuplet, and one copy shall be transmitted to the governor, one to the director of ~~((budget))~~ the office of program planning and fiscal management, one to the attorney general, one to the state department audited, one to the legislative budget committee, and one shall be kept on file in the office of the state auditor.

NEW SECTION. Sec. 3. There is added to chapter 44.28 RCW a new section to read as follows:

The legislative budget committee may make management surveys and program reviews as to every public body, officer or employee subject to the provisions of RCW 43.09.290 through 43.09.340. Management surveys for the purposes of this section shall be an independent examination for the purpose of providing the legislature with an evaluation and report of the manner in which any officer, administrator, or employee of a state agency subject to RCW 43.09.290 through 43.09.340 has discharged his responsibilities to faithfully,

efficiently, and effectively administer any legislative purpose of the state. Program reviews for the purpose of this section shall be an examination of agency programs to ascertain whether or not such programs continue to serve their intended purposes, are conducted in an efficient and effective manner, or require modification or elimination: PROVIDED, That nothing in section 3 of this 1971 amendatory act shall limit the power or duty of the state auditor to report to the legislature as directed by subsection (3) of RCW 43.88.160 as amended by this 1971 amendatory act. The authority in this section conferred excludes a like authority in the state auditor.

The legislative budget committee shall receive a copy of each report of examination issued by the state auditor under RCW 43.09.310, shall review all such reports, and shall make such recommendations to the legislature and to the state auditor as it deems appropriate.

Sec. 4. Section 43.88.160, chapter 8, Laws of 1965 as amended by section 49, chapter 8, Laws of 1967 ex. sess. and RCW 43.88.160 are each amended to read as follows:

This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this chapter shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

(1) Governor; ((budget)) director of program planning and fiscal management. The governor, through his ((budget)) director of program planning and fiscal management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for comprehensive central accounts in the ((central budget agency)) office of program planning and fiscal management. The ((budget)) director of program planning and fiscal management may require such financial, statistical and other reports as he deems necessary from all agencies covering any period.

In addition, the ((budget)) director of program planning and fiscal management, as agent of the governor, shall:

(a) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of

manpower and materials; and he shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(b) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(c) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: PROVIDED, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications requirements for recruitment, appointment, or promotion of employees of any agency. He shall advise and confer with agencies including the legislative budget committee and the legislative council regarding the fiscal impact of such plans and may amend or alter said plans, except that for the following agencies no amendment or alteration of said plans may be made without the approval of the agency concerned: Agencies headed by elective officials; University of Washington; Washington State University; Central Washington State College; Eastern Washington State College; Western Washington State College; The Evergreen State College; new, four-year state colleges subsequently authorized, professional education employees of the state board for community college education; and the various state community colleges;

(d) Fix the number and classes of positions or authorized man years of employment for each agency and during the fiscal period amend the determinations previously fixed by him except that he shall not be empowered to fix said number or said classes for the following: Agencies headed by elective officials; University of Washington; Washington State University; Central Washington State College; Eastern Washington State College; Western Washington State College; The Evergreen State College; new, four-year state colleges subsequently authorized; professional education employees of the state board for community college education; and the various state community colleges;

(e) Promulgate regulations to effectuate provisions contained in subsections (a) through (d) hereof.

(2) The treasurer shall:

(a) Receive, keep and disburse all public funds of the state not expressly required by law to be received, kept and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Disburse public funds under his supervision or custody by warrant or check;

(c) Keep a correct and current account of all moneys received

and disbursed by him, classified by fund or account;

(d) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to issue any warrant or check for public funds in the treasury except upon forms duly prescribed by the ~~((budget))~~ director of program planning and fiscal management. Said forms shall provide for authentication and certification by the agency head or his designee that the services have been rendered or the materials have been furnished and the treasurer shall not be liable under his surety bond for erroneous or improper payments so made. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or his designee in accordance with regulations issued pursuant to this chapter.

The auditor's current post audit of each agency may include a separate section setting forth recommendations to the legislature as provided by subsection (3) (c) of this section.

(3) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end he may, in his discretion, examine the books and accounts of any agency, official or employee charged with the receipt, custody or safekeeping of public funds.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make his official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include at least the following:

~~((i))~~ Determinations as to whether agencies, in making expenditures, complied with the ~~((will of the legislature))~~ laws of this state: PROVIDED, That nothing in this act shall be construed to grant the state auditor the right to perform performance audits. A performance audit for the purpose of this act shall be the examination of the effectiveness of the administration, its efficiency and its adequacy in terms of the programs of departments or agencies as previously approved by the legislature. The authority and responsibility to conduct such an examination shall be vested in the legislative budget committee as prescribed in section 3 of this act ~~((; and~~

~~((ii))~~ Such plans as he deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs and generally for an improved level of fiscal management).

(d) Be empowered to take exception to specific expenditures

that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public record, including disclosure to the agency concerned and to the ((budget)) director of program planning and fiscal management. It shall be the duty of the ((budget)) director of program planning and fiscal management to cause corrective action to be taken promptly, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110.

(e) Shall promptly report any irregularities to the attorney general.

(4) The legislative budget committee may:

(a) Make post audits of such of the financial transactions as it may determine of any agency and management surveys and program reviews as provided for in section 3 of this 1971 amendatory act and to this end may in its discretion examine the books and accounts of any agency, official, or employee charged with the receipt, custody, or safekeeping of public funds.

(b) Give information to the legislature ((and)) or any legislative ((council)) committee whenever required upon any subject relating to the financial affairs of the state.

(c) Make its official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs and generally for an improved level of fiscal management; and

(iii) A report on the efficiency and accuracy of the post audit operations of the state government.

NEW SECTION. Sec. 5. If any provision of this 1971 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

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