

PERFORMANCE AUDIT: STREAMLINING BUSINESS REGULATIONS

OVERVIEW AND OBJECTIVES / MAY 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

Director of
Performance Audit

Larisa Benson
(360) 725-9720

Larisa.Benson@sao.wa.gov

Principal Performance
Auditor

Susan Hoffman
(360) 725-9719

Susan.Hoffman@sao.
wa.gov

Senior Performance
Auditor

Deborah Stephens
(360) 725-9727

Deborah.Stephens@sao.
wa.gov

State Auditor's Office
P.O. Box 40022
Olympia, WA
98504-0022

www.sao.wa.gov

Twitter:
[@WASStateAuditor](https://twitter.com/WASStateAuditor)

Background

Twenty-six Washington state agencies administer more than 1,100 business licenses, permits and inspections. Agencies' activities range from registering new companies to ensuring that businesses comply with state laws and regulations. Agencies adopt administrative rules to guide their actions and to describe their processes and criteria.

Updating regulations and streamlining regulatory processes helps to ensure that government fulfills its regulatory responsibilities most effectively, at the lowest possible cost and with the least possible burden on businesses. Other states and countries have conducted successful regulatory reform programs to improve regulatory outcomes, reduce the costs of regulation and to improve the overall business climate.

Audit scope and objectives

The State Auditor's Office has begun a series of performance audits to determine whether Washington's business regulations are streamlined, transparent and consistent. The series will begin with an inventory of information about state-level business permits, licenses and inspections.

The initial audit in the series, Streamlining Business Regulations, will examine the extent to which regulatory agencies periodically review their existing regulations to eliminate outdated, conflicting or otherwise unnecessary rules or to clarify rules related to business permits, licenses or inspections. It will seek to answer the following specific questions:

- Do regulatory agencies have processes in place to review and streamline their regulatory rules?
- Have agencies streamlined their rules in the past decade?
- Do agencies that streamline their rules track and measure the effects of their efforts?

Timing

A report on this audit is scheduled for release in July, 2012.