



Washington State Auditor's Office Performance Audit Description

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Economic Development Performance Reporting

Background

Since the recession began in 2008, Washington decision makers have sought out opportunities to prioritize economic development spending, based on program results. As part of this increasing focus on results, the Legislature has repeatedly requested analysis and measurement of economic development outcomes.

The Department of Commerce, as part of its mission to grow and improve jobs, supports locally focused economic development services across Washington by managing grants to 34 associate development organizations (ADOs). These nonprofits provide direct services to businesses, as well as helping with strategic planning efforts for their areas. In many areas, ADOs act as the sole provider of economic development services.

The Legislature has amended state law several times to require heightened reporting on ADO performance. Under the law, Commerce must work with each ADO to develop performance targets, and impose penalties if an ADO fails to meet targets. Commerce must also send a summary report on ADO performance to the Legislature every two years.

Scope and objectives

This audit will evaluate the effectiveness of performance reporting by the Department of Commerce, and whether the impacts of ADOs can be isolated from general economic trends.

The audit will answer the following questions:

- Are performance tracking and reporting practices used by the Department of Commerce and the ADOs aligned with leading practices and in compliance with statutory requirements?
- Would it be technically feasible to isolate the ADOs' impact on economic outcomes?

Timing

Audit results will be released in late 2014.