



Washington State Auditor's Office

February 23, 2016

Honorable Representative Frank Chopp
Honorable Representative Dan Kristiansen
339C Legislative Building
Olympia WA 98504

Dear Speaker Chopp and Minority Leader Kristiansen:

As you may know, I served as Acting State Auditor for seven months in 2015 and now fill the role of Deputy State Auditor. I have held many titles in three decades of service to the State Auditor's Office, and for the past year, it has been my goal to see the institution through a troubled time, intact and fully capable of meeting the high expectations of the public.

I have to be blunt. I am concerned the Office will not be able to meet those expectations in the near future if certain legislative proposals are enacted. There are multiple troubling issues, but the most concerning and the reason for this letter is the status of the Performance Audits of Government Account. The citizens created and funded the account a decade ago to fund reviews of the economy, effectiveness and efficiency of state and local government programs.

A year ago I unsuccessfully protested \$12.6 million in diversions from the account. With the remaining funds, we developed a worklist of projects and initiatives that would demonstrate our value to policy leaders and the public. Just six months into the current budget, however, I was alarmed by Governor Inslee's proposal to sweep an additional \$10 million. That would amount to diverting 74 percent of the projected revenue in the performance audit account. To be clear, we do not have \$10 million in unspent reserves and we don't expect to in the future. Such a loss of funds would mean stopping government accountability work now under way and contradicts RCW 43.09.470, which prohibits legislative bodies from impeding our independent performance audits.

I voiced my concerns in person with members of the respective budget committees. Disappointingly, Monday's proposed budget from the House of Representatives mirrors Governor Inslee's sweep of our fund. I understand the Senate plans to release its own budget proposal this week. Again, we believe that the \$12.6 million transfer in the existing budget is a more than sufficient contribution to policy challenges the Governor and Legislature face outside our Office.

Meanwhile, even as we plan to scale back the work we perform, we see more of our independence – central to our credibility – impeded by mandates from the Legislature. Half of our 2016 audit work plan is taken up by audits directed to us by specific legislation, budget provisos, and legal requirements. There are more proposed mandates pending in bills before you.

I am concerned that the institution of the State Auditor's Office is the victim of both the complex pressures on the state budget and the legal issues facing Auditor Kelley. Admittedly, we are in an unfortunate position. Auditor Kelley asked me to represent the agency, in hopes of protecting it from any consequence of the controversy surrounding him. I want to prevent any diminishment of the State Auditor's Office due to his legal troubles that – by all accounts – do not involve the important work our staff does.

I am asking you to look beyond the controversy and financial pressure of the moment, and consider the permanent institutions of our state. Our founders were wise in establishing an independent State Auditor's Office to hold government accountable for the use of public resources. I believe you, like me, would like to see that institution continue with the full capability invested in it by the people. I would ask to you to reconsider the path taken in the budget proposals now before you.

Sincerely,

A handwritten signature in cursive script that reads "Jan M. Jutte". The signature is written in black ink and is positioned above the typed name.

JAN M. JUTTE, CPA, CGFM
DEPUTY STATE AUDITOR

cc: Honorable Senator Mark Schoesler
Honorable Senator Sharon Nelson