



Washington State Auditor's Office Performance Audit Description

Integrity • Respect • Independence

Jan M. Jutte, CPA, CGFM
Acting State Auditor

Director of State and
Performance Audit

Chuck Pfeil, CPA

(360) 902-0366

Chuck.Pfeil@sao.wa.gov

Principal Performance Auditor

Donald Krug

(360) 725-5566

Donald.Krug@sao.wa.gov

Lead Performance Auditor

Sara del Moral

(360) 725-5612

Sara.delMoral@sao.wa.gov

Washington State Auditor

State Auditor's Office

P.O. Box 40021

Olympia, WA

98504-0021

www.sao.wa.gov

@WASateAuditor

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A Review of Administrative Appeals Processes

Program background

Administrative appeals serve as one avenue for the public to resolve disputed decisions made by state agencies. Decisions addressed range from unemployment benefits and child support obligations to tax assessments for businesses. People expect administrative appeals processes to be fair and impartial.

In the 1980s, the Legislature established the Office of Administrative Hearings to maintain public confidence in administrative appeals by providing an external venue to “independently resolve administrative disputes through accessible, fair, prompt processes...”. However, many agencies employ their own hearing officers to ensure that complex cases are heard by those familiar with agency policies.

The use of agency-employed hearing officers has come under scrutiny, with critics suggesting this practice appears biased and hinders independent decision-making. Stakeholders have also expressed concern that agencies are in some cases permitted to reverse the decisions made by presiding hearing officers, and further that agency-employed hearing officers decide cases using policies that are not established in agency rules.

Scope and objectives

The objectives of this performance audit are designed to assess whether state agencies could do more to improve user understanding and enhance the appearance of impartiality for select appeals processes.

The audit will seek to answer the following questions:

- Are administrative appeals processes understandable?
- Do administrative appeals practices appear impartial?
- How can the state strengthen the appearance of impartiality?

To answer these questions, we will survey stakeholders, hearing officers and judges, and compare agency current practices with identified leading practices in conducting administrative appeals. However, we will not evaluate individual decisions.

We will review appeals processes at the boards of Industrial Insurance Appeals and Tax Appeals; the departments of Retirement Systems, Revenue, Employment Security, and Social and Health Services; the Health Care Authority; and the offices of Administrative Hearings and the Insurance Commissioner.

Timing

We estimate audit results will be published in late 2015.