

Cabinet Agencies' Performance Audit Action Item(s) & Status

Department of Commerce User Fees

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), October 2009)

Agencies included in the performance audit: Department of Commerce

SAO Issues Summary:

1. The Department does not have user fee policies and procedures to ensure user fees are set in accordance with best practice and in compliance with state law.
2. Two of the Department's programs have not aligned their user fees with best practice.
3. User fees do not comply with state law.
4. Bond Users Clearinghouse Program activities are paid for with fee revenues from the Bond Cap Allocation Program which is contrary to Bond Cap Allocation Program law. In addition, Bond Users Clearinghouse rules are not updated to conform to state law.
5. The Department could reduce general fund spending by between \$2.2 and \$2.4 million or more over five years if fees were charged for four programs.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the [cabinet agency response](#) for additional context and any additional steps already taken.

For an explanation of the columns below, [see the legend](#).

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1	Completed	Create and implement the Department of Commerce's User Fee Management Policy.	COMM	11/09	Yes	No	No	Completed 1/11/10
2	Completed	Communicate audit issues to the Public Works Board and Department of Health for their consideration and action.	COMM	11/09	Yes	No	No	Completed 12/1/09
2	Completed	Assist the Developmental Disabilities Life Opportunities Trust Board in adopting a motion to annually review the Trust Fund fee structure and recommend any adjustments	COMM	6/09	Yes	No	No	

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
		based on the review.						
3	Completed	Create and implement appropriate fee development policies for applicable programs. By November 1, 2009.	COMM	11/09	Yes	No	No	Completed 1/11/10
3	Completed	Inform the programs with user fees of our intent to create separate accounts for each fee. Secure their input and adjust the plan or timeline if necessary.	COMM	10/09	Yes	No	No	Completed 10/1/09
3	Completed	Design a set of accounts to appropriately deposit and hold user fees.	COMM	11/09	Yes	No	No	8/22/11 Commerce completed a potential design analysis and determined will use current Commerce Fee account for all fees.
3	Completed	Create and begin using the new fee accounts.	COMM	6/10	Yes	No	No	8/22/11 Commerce is using the fee account.
4	Completed	Submit departmental request legislation to OFM to revise the Bond Cap Allocation Program.	COMM	9/10	Yes	No	Yes	OFM approved the proposal.
4	Completed	Submit the proposed legislation (if approved by the Governor's Office) to the Legislature.	OFM	1/11	Yes	No	Yes	Completed, was folded into ESHB 2753, which passed the legislature.
4	Completed	Revise the Bond Users Clearinghouse rule to ensure alignment with the statute.	COMM	1/10	Yes	No	No	The new WAC allows Bond User Clearinghouse activities to be paid by the fees generated by the Bond Cap Allocation Program
5	Completed	Review International Trade, CERB, Dispute Resolution, and New Americans program to determine appropriateness of charging a user fee. By	COMM	12/09	Yes	No	Yes	Completed 12/15/09 Charging a fee would significantly limit access to the program. The majority of the customers served by the program are

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
		December 31, 2009.						working to obtain their citizenship so they will be legally eligible to obtain employment. Due to the fact than many of them are unemployed, charging a fee would result in significant financial hardship for the individuals who could most benefit from the program.
5	Completed	Follow legislative direction in implementing or changing fees.	COMM	N/A	Yes	No	Yes	<p>Commerce is not moving forward with fee increases at this time, therefore will not be taking proposals forward to the legislature.</p> <p>Commerce is following legislative direction. The law is clear that we must request new fees or increases from the legislature and we will.</p>