

ORDINANCE NO. _____

**ESTABLISHING WHATCOM COUNTY CODE SECTION 2.02.195
PERFORMANCE AUDITS**

WHEREAS, the 2025 Charter Review Commission submitted Proposition 3, Establishing Performance Audits, to Whatcom County voters in the November 4, 2025 General Election; and

WHEREAS, Whatcom County voters approved Proposition 3 by 85.33 percent, and the results were certified by the Whatcom County Auditor on November 25, 2025; and

WHEREAS, Charter Section 2.70, as established by Proposition 3, allows the council to conduct audits of financial operations of the county government and performance or program audits to review the effectiveness and efficiency of county programs; and

WHEREAS, Charter Section 2.80, as established by Proposition 3, requires the council to establish by ordinance an independent county performance auditing process within the legislative branch for the purpose of reviewing, evaluating, and reporting on the integrity of the county's financial management system, the accuracy of financial record keeping, compliance with applicable laws, policies, guidelines, and procedures, and the efficiency and effectiveness of operations and programs; and

WHEREAS, the [Office of the Washington State Auditor](#) highlights the importance of performance audits in evaluating the efficiency and effectiveness of government programs, with the goal of making them work better; and

WHEREAS, audits of Whatcom County's financial statements and adherence to state laws, regulations, and local procedures are currently conducted ~~only~~ by the Washington State Auditor's Office ~~at least once every three years annually~~ in accordance with RCW [43.09.260](#) ~~and, or~~ in connection with federal grants or other federal funding; and

WHEREAS, the State Auditor system allows for the county to select program areas for additional financial auditing and also provides additional advice and services at local government request; and

WHEREAS, Whatcom County residents will benefit from the increased transparency and accountability that independent performance audits provide, including improved public programs and services, cost savings from identifying inefficiencies, ~~waste~~, and areas for improvement, and assurance that the county is complying with legal and regulatory standards.

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that Whatcom County Code Section 2.02.195 Performance Audits is hereby established as shown in Exhibit A.

ADOPTED this ____ day of _____, 2026

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Cathy Halka, Clerk of the Council

Kaylee Galloway, Council Chair

APPROVED AS TO FORM:

WHATCOM COUNTY EXECUTIVE
WHATCOM COUNTY, WASHINGTON

Kimberly Thulin by email 1/23/26 (ks)
Civil Deputy Prosecutor

Satpal Sidhu, County Executive

() Approved () Denied

Date Signed: _____

EXHIBIT A

2.02.195 Performance Audits.

A. The council shall develop and oversee a performance audit program to provide objective, third-party financial, performance, and program audits of county programs, services, and operations in accordance with the Whatcom County Charter as permitted by law¹. When authorized by the council, performance audits will be conducted to **review, evaluate, and report on the integrity of the county's financial management system, the accuracy of financial record keeping, compliance with applicable laws, policies, guidelines, and procedures, and the efficiency and effectiveness of operations and programs.**²

Notes

¹*Clarity about what is and is not permitted by law with respect to auditing separate elected branches would be helpful specificity from a transparency perspective.*

²*This is a broad scope. The Council may want to indicate whether there will be more emphasis on programmatic performance, financial matters, and/or regulatory compliance.*

B. The council shall determine when a performance audit is needed and shall initiate each audit by motion and vote.³

Notes

³*Encourage codification of a deliberative review process to discuss if a performance audit is needed, the realistic cost of such audit, and confirm whether existing audits or performance evaluations already exist for a similar scope.*

Consider whether any advanced notice or program implementation expectations would help meet outcome goals/aid a successful audit. For example, when the state auditor looks at the county's financial records, we have standards they audit against so we can shape practices around compliance and fiduciary goals. Further, because we have a sense of when these audits are coming, we are able to prepare our annual work cycles accordingly.

Consider how/when you wish to budget for audit in order to weigh it against other expenditure priorities.

C. All procurement processes shall comply with state, federal, and local laws, including Whatcom County Code and Whatcom County Charter. For each audit, the council shall approve, by motion and vote, the scope of the audit to be conducted, including but not limited to areas of inquiry, timeline, and reporting requirements. The clerk of the council or their designee shall manage the procurement process and contracting and will provide updates to council as needed. The selection committee for each third-party auditor shall include:

1. Two members of the council.

2. The clerk of the council or designee.
3. The civil deputy prosecuting attorney assigned to the council.

D. All county elected officials and employees shall⁴ provide the third-party auditors engaged by the council under this section with the following in a timely manner:

1. All requested information and records.
2. Full access to inspect county property, equipment, and facilities.
3. Full cooperation during interviews.

Notes

⁴ Discuss with legal use of "shall"

E. All audits conducted under this section shall use the United States Government Accountability Office's Government Auditing Standards as a guideline when conducting performance audits.

F. The council receives each audit report and approves sending recommendations to the executive and/or applicable county department. The Elected Official overseeing the applicable county department shall⁵ report to the Council on the implementation of the recommendations resulting from the performance audit within XX⁶ months.

Notes

⁵ Discuss with legal use of "shall"

⁶ For discussion/consideration

~~G. Beginning January 1, 2029, and biennially thereafter, the executive shall report to the council on the implementation of the approved recommendations resulting from each performance audit performed under this section, including achieved cost savings and expected return on investment.⁷~~

Notes

⁷ This seems like a more appropriate requirement for the auditor or council to deliver on.