

Washington State Auditor's Office
Accountability Audit Report

Washington Counties Risk Pool
Thurston County

Report Date
June 16, 2009

Report No. 1001790

Issue Date
July 20, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

July 20, 2009

Board of Directors
Washington Counties Risk Pool
Tumwater, Washington

Report on Accountability

Please find attached our report on the Washington Counties Risk Pool's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Risk Pool's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

Table of Contents

Washington Counties Risk Pool Thurston County June 16, 2009

Audit Summary.....	1
Description of the Risk Pool.....	2
Audit Areas Examined.....	4

Audit Summary

Washington Counties Risk Pool Thurston County June 16, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington Counties Risk Pool.

We performed audit procedures to determine whether the Risk Pool complied with state laws and regulations and its own policies and procedures. We also examined Risk Pool management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from October 1, 2007, through September 30, 2008.

RESULTS

The Risk Pool complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

However, on July 30, 2008, the Risk Pool notified our Office in accordance with state law (RCW 43.09.185) that there was a possible misappropriation of a piece of real property by a former employee dating back to 2003. We reviewed the status of this case and issued our results in a separate report.

RELATED REPORTS

Our opinion on the Risk Pool's financial statements is provided in a separate report, which includes the Risk Pool's financial statements.

CLOSING REMARKS

We thank Risk Pool officials and personnel for their assistance and cooperation during the audit.

Description of the Risk Pool

Washington Counties Risk Pool Thurston County June 16, 2009

ABOUT THE RISK POOL

The Washington Counties Risk Pool was established to provide its member counties with joint programs and services including self insurance, purchasing of insurance and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Risk Pool is governed by a Board of Directors consisting of one representative designated by each member county. Its day-to-day operations are administered by the Board-appointed Executive Director who reports to an 11-member Executive Committee and the Board. The Risk Pool operates on an annual operating budget of approximately \$1.7 million and has nine employees.

AUDIT HISTORY

We audit the Risk Pool on an annual basis. The Risk Pool has not received a finding since its inception in 1988.

OFFICERS/EXECUTIVE COMMITTEE

These officials served during the audit period:

Executive Committee:

President

Secretary-Treasurer

Keith Goehner, Chelan County

Mark Abernathy, Kitsap County

Toni Gilbert, Clallam County

Steven Clem, Douglas County

Neva Corkrum, Franklin County

Rose Elway, Grays Harbor County

Marilyn Butler, Skamania County

Leon Long (through November 26, 2007),

Spokane County

Steve Bartel (through March 28, 2008), Spokane

County

Diane Oberquell, Thurston County

Jay Winter, Walla Walla County

Randall Watts, Whatcom County

APPOINTED OFFICIALS

Executive Director

Accounting/Auditing Officer

Vyrle Hill

Sue Colbo

ADDRESS

Pool

Suite 106
2558 R.W. Johnson Road S.W.
Tumwater, WA 98512
(360) 292-4500
www.wacounties.org/wcrp/

Audit Areas Examined

Washington Counties Risk Pool Thurston County June 16, 2009

In keeping with general auditing practices, we do not examine every portion of the Washington Counties Risk Pool's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Risk Pool were examined during this audit period:

ACCOUNTABILITY

We evaluated the Risk Pool's accountability in the following areas:

- Open Public Meetings Act
- Payroll expenditures
- Solvency
- Conflict of interest
- Revenue
- Insurance, bonding and risk management
- General disbursements
- Safeguarding of public resources

FINANCIAL AREAS

Our opinion on the Risk Pool's financial statements is provided in a separate report. That report includes the Risk Pool's financial statements and other required financial information. We examined the financial activity and balances of the Risk Pool including:

- Cash and investments
- Revenue
- Expenditures/expenses
- Financial condition
- Long-term debt
- Overall presentation of the financial statements
- Financial statement preparation



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

State Auditor
Chief of Staff
Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
Jerry Pugnetti
Chuck Pfeil, CPA
Jim Brittain, CPA
Jan Jutte, CPA, CGFM
Ivan Dansereau
Mike Murphy
Mindy Chambers
Mary Leider
(360) 902-0370
(866) 902-3900

Web Site
Subscription Service

www.sao.wa.gov
<https://www.sao.wa.gov/EN/News/Subscriptions/>