

Washington State Auditor's Office
Accountability Audit Report

Washington Counties Risk Pool
Thurston County

Report Date
March 14, 2008

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June 9, 2008



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

June 9, 2008

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

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Thurston County
March 14, 2008**

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Audit Summary

Washington Counties Risk Pool Thurston County March 14, 2008

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, 2006, through September 30, 2007.

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.

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 March 14, 2008

ABOUT THE RISK POOL

The Washington Counties Risk Pool provides comprehensive, economical insurance coverage and risk management assistance to 28 member counties. The Risk Pool is governed by a Board of Directors representing member counties. An appointed Executive Director administers day-to-day operations and reports to an 11-member Executive Committee and the Board. The Risk Pool operates on a \$1.4 million annual budget and has nine employees.

AUDIT HISTORY

We audit the Risk Pool annually. Management has been responsive to prior audit recommendations. Because of its assertive style of problem solving, the Risk Pool has received no findings since its inception in 1988.

ELECTED OFFICIALS

These officials served during the audit period:

Executive Committee:

President

Secretary/Treasurer

Steve Clem

Keith Goehner

Toni Gilbert

Mark Abernathy

Neva Corkrum

Rose Elway

Leon Long

Diane Oberquell

Jay Winter

Randy Watts

Mike Shelton (through August 2007)

APPOINTED OFFICIALS

Executive Director

Accounting/Auditing Officer

Vyrle Hill

Sue Colbo

ADDRESS

Risk 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 March 14, 2008

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:

- Solvency
- Checking account
- General disbursements
- Accounts payable
- Changes in insurance program
- Open Public Meetings Act

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
- Revenues
- Expenditures/expenses
- Financial condition
- Cash flows
- Overall presentation of the financial statements, notes and management's discussion and analysis
- 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 has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular 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. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. 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 program to coordinate audit efficiency and to ensure high-quality audits.

State Auditor
Chief of Staff
Chief Policy Advisor
Director of Administration
Director of State and Local Audits
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free hotline for government efficiency

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