

Washington State Auditor's Office
Accountability Audit Report

**Public Hospital District No. 2 of Clallam
County
(Olympic Medical Center)**

Report Date
February 20, 2014

Report No. 1011389

Issue Date **March 6, 2014**
Reissued **March 14, 2014**



WASHINGTON
TROY KELLEY
STATE AUDITOR



Washington State Auditor Troy Kelley

March 14, 2014

Board of Commissioners
Olympic Medical Center
Port Angeles, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the Olympic Medical Center's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

TROY KELLEY
STATE AUDITOR

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Clallam County
February 20, 2014**

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Audit Summary

Olympic Medical Center
Clallam County
February 20, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Olympic Medical Center from January 1, 2011 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Cash receipting
- Open public meeting minutes
- Procurement (bidding/prevaling wage)
- Payroll/personnel
- Payments/expenditures
- Third party cash receipting

RESULTS

In most areas, the District complied with state laws and regulations and its own policies and procedures.

However, we noted certain matters that we communicated to District management. We appreciate the District's commitment to resolving those matters.

Related Reports

**Olympic Medical Center
Clallam County
February 20, 2014**

FINANCIAL

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available from the District.

Description of the District

Olympic Medical Center Clallam County February 20, 2014

ABOUT THE DISTRICT

Clallam County Public Hospital District No. 2, doing business as Olympic Medical Center, provides health care services to Port Angeles, Sequim and surrounding communities. The District operates Olympic Memorial Hospital, a 126 bed licensed general acute-care facility, and home health services through Olympic Medical Home Health. The District also operates Olympic Medical Imaging Center, Olympic Medical Cancer Center, Olympic Medical Physical Therapy and Rehabilitation, Olympic Medical Laboratory, Olympic Medical Surgical Services, Olympic Medical Cardiac Services and Olympic Medical Physicians, which includes eight physician clinics.

An elected, seven-member Board of Commissioners governs the District. The Board appoints an Administrator to oversee the District's daily operations as well as its 1,098 employees. For 2012 the District operated on an annual budget of approximately \$140 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

John Beitzel
Jim Cammack
Arlene Engel
Jean Hordyk
Jim Leskinovitch
John Miles
John Nutter
Tom Oblak

APPOINTED OFFICIALS

Chief Executive Officer
Chief Financial Officer

Eric Lewis
Julie Rukstad

DISTRICT CONTACT INFORMATION

Address: Olympic Medical Center
939 Caroline Street
Port Angeles, WA 98362

Phone: (360) 417-7702

Website: www.olympicmedical.org

AUDIT HISTORY

We audit the District annually. The District has been free of findings for the past 14 years. Management has been responsive to prior audit recommendations. Audit concerns are often discussed and addressed before completion of the audit. We believe this reflects the District's commitment to maintaining a strong financial system with adequate internal controls.



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.

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

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