

Washington State Auditor's Office
Accountability Audit Report

Skagit County Public Hospital District
No. 1
(Skagit Regional Health)

Report Date
February 25, 2014

Report No. 1011396

Issue Date
March 10, 2014



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

March 10, 2014

Board of Commissioners
Skagit Regional Health
Mount Vernon, 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 Skagit Regional Health'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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Skagit County
February 25, 2014**

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Audit Summary

**Skagit Regional Health
Skagit County
February 25, 2014**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Skagit Regional Health from January 1, 2012 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:

- Open Public Meeting Act
- Self-insurance
- Inventory controls
- Patient billing
- Receipting

RESULTS

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

**Skagit Regional Health
Skagit County
February 25, 2014**

FINANCIAL

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

FEDERAL GRANT PROGRAMS

A firm of certified public accountants evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs. That firm's report is available from the District.

Description of the District

Skagit Regional Health Skagit County February 25, 2014

ABOUT THE DISTRICT

Skagit County Public Hospital District No. 1, doing business as Skagit Regional Health, currently operates Skagit Valley Hospital, a 137-bed acute care hospital and Skagit Regional Clinics, a multi-specialty Clinic with eight locations and 118 providers. In addition, the District operates the Cancer Care Center and Kidney Center in Mount Vernon. In 2012 the District provided services to approximately 69,000 unique patients, composed of approximately 32,000 patient days and nearly 350,000 outpatient visits.

An elected, seven-member Board of Commissioners governs the District. The Board appoints the Chief Executive Officer to oversee the District's daily operations as well as its nearly 1,860 employees. The District's primary source of operating revenue is from patient services. For 2012, the District operated on approximately \$247 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Balisa Koetje
Jeffrey Miller
Stanton Olson
James Hobbs
Clark Todd
Pattie Lewis
Bruce Lisser

APPOINTED OFFICIALS

Chief Executive Officer
Chief Financial Office
Chief Administrative Officer
Chief Operating Officer
Chief Physician Officer
Chief Medical Officer
Chief Nursing Officer

Gregg Davidson
Tom Litaker
Jane Root
Mike Liepman
John Bond, M.D
Connie Davis M.D
Jan Iverson

DISTRICT CONTACT INFORMATION

Address: Skagit Valley Hospital
1415 E. Kincaid
Mount Vernon, WA 98273

Phone: 360-445-8510

Website: www.skagitvalleyhospital.org

AUDIT HISTORY

We audit the District annually for accountability. The District has not received a finding since 1999.



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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