



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

Office of the Attorney General

Audit Period

July 1, 2012 through June 30, 2013

Report No. 101164

Issue Date
April 21, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

April 21, 2014

The Honorable Bob Ferguson
Washington State Attorney General
Olympia, Washington

Report on Accountability

We appreciate the opportunity to work with your Agency to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to hold government accountable for the use of public resources so that government can work better, cost less, deliver higher value and earn greater public trust.

A sound and thorough audit protects the interests of the taxpayers by helping identify weaknesses in internal controls and prevent errors and fraud by providing unbiased recommendations, and by saving money.

Please review our report on the Office of Attorney General's accountability over local funds. 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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State of Washington Office of the Attorney General

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Audit Summary

State of Washington Office of the Attorney General

RESULTS IN BRIEF

This report contains the results of our independent accountability audit of the Office of Attorney General's local funds from July 1, 2012 through June 30, 2013.

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

INTRODUCTION

Why we did this audit

As part of routine audits of state agencies, our Office is responsible for auditing public funds and accounts that are not managed by or in the care of the State Treasurer. These funds are commonly referred to as local funds.

The Legislature has established some of these funds, while others are authorized by the Office of Financial Management, which is allowed by law to establish local funds outside the State Treasury when agencies present compelling reasons to do so.

About the audit

As of June 30, 2013, the Agency held more than \$7.9 million of cash in local funds. We evaluated internal controls and performed audit procedures on the activities of the Agency. We also determined whether the Agency complied with certain state laws 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. Examples of the questions the audit addressed were:

- Did the Agency properly account for its local fund financial activities in the state's financial records?
- Were adequate internal controls in place to safeguard the Agency's local funds?

AUDIT RESULTS

In the areas we reviewed, we found the Agency's internal controls were adequate to safeguard its local funds. The Agency also complied with state laws and its own policies and procedures in the areas we examined.

REPORTING REQUIREMENTS

Every two years, our Office is required by state law (RCW 43.09.420) to report to the Legislature on the status of local funds and accounts that were examined during the preceding biennium and recommendations we made about how state agencies can improve their financial management of these funds.

Our most recent report covered audit reports published from July 1, 2011 through June 30, 2013.

The next report will cover July 1, 2013 through June 30, 2015 and is due to the Legislature by December 31, 2015.

Related Reports

State of Washington Office of the Attorney General

FINANCIAL

We perform an annual audit of the statewide basic financial statements, as required by state law (RCW 43.09.310). Our opinion on these financial statements is included in the Comprehensive Annual Financial Report (CAFR) prepared by and available from the Office of Financial Management.

The CAFR reflects the financial activities of all funds, organizations, institutions, agencies, departments and offices that are part of the state's reporting entity. That report is issued by the Office of Financial Management in December of each year and can be found at www.ofm.wa.gov.

A summary of the audit can be found at:

http://www.sao.wa.gov/generalinfo/Documents/2013_CAFR_Report_Final.pdf

FEDERAL PROGRAMS

In accordance with the Single Audit Act, we annually audit major federal programs administered by the state of Washington. Rather than perform a single audit of each agency, we audit the state as a whole. The results of that audit are published in a report issued by the Office of Financial Management in March of each year.

About the Agency

State of Washington Office of the Attorney General

ABOUT THE AGENCY

The Office of the Attorney General is an executive branch agency created in the state Constitution to provide legal services to state agencies, boards, commissions, colleges and universities as well as the Governor and Legislature. The Agency's mission is to provide excellent, independent, and ethical legal services to the state of Washington and protect the rights of its people.

AGENCY CONTACT INFORMATION

Address: Office of the Attorney General
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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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Director of Performance and State Audit
Director of Local Audit
Deputy Director of State Audit
Deputy Director of Local Audit
Deputy Director of Local Audit
Deputy Director of Performance Audit
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