



# Washington State Auditor's Office

Independence • Respect • Integrity

## Accountability Audit Report Department of Health

For the period July 1, 2013 through June 30, 2014

Published June 25, 2015

Report No. 1014492





## Washington State Auditor's Office

June 25, 2015

Dr. John Wiesman, Secretary of Health  
Department of Health

### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Department operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Department's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

A handwritten signature in black ink, reading "Jan M. Jutte". The signature is fluid and cursive.

JAN M. JUTTE, CPA, CGFM  
ACTING STATE AUDITOR  
OLYMPIA, WA

## TABLE OF CONTENTS

Audit Summary .....	4
Related Reports .....	5
Information About The Department .....	6
About The State Auditor's Office .....	7

## AUDIT SUMMARY

### Results in brief

In the areas we audited, Department operations complied with applicable requirements and provided adequate safeguarding of public resources. The Department also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the Department of Health from July 1, 2013 through June 30, 2014.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Department's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Professional service contracts
- Dental licenses
- Purchase cards

## RELATED REPORTS

### 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](http://www.ofm.wa.gov).

A summary of the audit for the period ending June 30, 2014 can be found by clicking this [link](#).

### 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.

A summary of the audit for the period ending June 30, 2014 can be found by clicking this [link](#).

### Performance audits

Initiative 900, approved by voters in 2005, gives the State Auditor's Office the authority to conduct independent performance audits of state and local government entities. Performance audits may include objective analysis on ways to improve program performance and operations, reduce costs and identify best practices.

We issued the Initiative 1163: Long-Term Care Worker performance audit report in December 2014 that is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DEPARTMENT

The mission of the Washington State Department of Health (DOH) is to work with others to protect and improve the health of all people in Washington State. DOH accomplishes the mission by leading changes in policies, systems and environments to prevent illness and injury, promote healthy families and communities and encourage healthy lifestyles. To achieve this mission, the Agency focuses on places where people live, learn, work, recreate, seek healthcare and worship. DOH works closely with many local government agencies, tribal governments and non-profit organizations across the state. Partnering with boards and commissions, the Department oversees the licensing and certification of 83 different types of health professionals who serve the citizens of Washington.

Although the Department supports the Washington State Board of Health, the board is an independent body that provides a forum for people interested in helping develop public health policy. The board provides leadership on statewide health issues by promoting policies that protect and improve the public's health.

The Secretary of Health is appointed by the Governor and agency authority is contained in state law (RCW 43.70.020). The Department's main office is located in Tumwater with additional offices in Shoreline, Kent, Spokane and Richland. The Department has approximately 1,600 employees.

DOH receives funding from state appropriations, license fees and federal grants. In total, it receives approximately \$538 million, annually. Of that amount, approximately \$275 million is from federal sources, \$60 million is from the state general fund and \$129 million is from various fees.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Department of Health at <http://portal.sao.wa.gov/ReportSearch>.

## 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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
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