



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report

South Puget Sound Community College

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

Published July 20, 2015

Report No. 1014605





Washington State Auditor's Office

July 20, 2015

Dr. Timothy Stokes, President
South Puget Sound Community College

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 College 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 College'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,

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

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AUDIT SUMMARY

Results in brief

In the areas we audited, College operations complied with applicable requirements and provided adequate safeguarding of public resources. The College 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 South Puget Sound Community College 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 College'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:

- Open Public Meetings Act
- Local funds
- Unrelated business income
- Cash receipting
- Purchase cards
- Assets
- Payroll
- Disbursements
- Education legacy trust account

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.

A summary of the audit for the period ending June 30, 2014, can be found at: <http://www.sao.wa.gov/resources/Pages/AnnualReports.aspx>.

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.

Special investigations

During the current audit period, the State Auditor's Office issued reports pursuant to the State Employee Whistleblower Act (Chapter 42.40 RCW). That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Other reports

During the current audit period, the State Auditor's Office issued a report on agreed-upon procedures performed at the College in March 2015. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COLLEGE

South Puget Sound Community College was founded in 1962 as Olympia Vocational Technical Institute. In 1984 the school changed its name to South Puget Sound Community College and began to offer a more comprehensive curriculum. The College is committed to providing quality educational opportunities to meet intellectual, vocational, career, personal and developmental education needs for its students and members of the community.

With more than 10,000 full- and part-time students served during the academic year 2013-2014, it is the largest community college in the South Puget Sound area. The main campus is located in Olympia with a branch campus in Lacey. In 2012 the college purchased an eight-acre parcel with five existing office buildings located on Sixth Avenue S.E. in downtown Lacey for a second permanent campus. The College will have two buildings renovated for use by fall quarter 2015. The College's Lacey campus will contain corporate training, continuing education, certificate programs, and academic for-credit classes. The College has approximately 825 full- and part-time employees.

For the biennium including fiscal years 2013 and 2014, the College had operating budgets of \$28,033,144 and \$29,668,583, respectively. Tuition and fees comprise approximately 41 percent and 38 percent of the revenue, respectively.

A five-member Board of Trustees, appointed by the Governor and confirmed by the State Senate, is responsible for operating the College under administrative direction of the President. Four Vice Presidents, the Chief Information Officer and the Chief Human Resources Officer support the President.

Contact information related to this report	
Address:	South Puget Sound Community College 2011 Mottman Road S.W. Olympia, WA 98512
Contact:	Mary An Schmidt, Chief Enterprise Services Officer
Telephone:	(360) 596-5372
Website:	www.spscc.ctc.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for the South Puget Sound Community College 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	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov