



# Washington State Auditor's Office

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## Accountability Audit Report

# Tacoma-Pierce County Health Department

For the period January 1, 2014 through December 31, 2014

Published September 28, 2015

Report No. 1015131





## Washington State Auditor's Office

September 28, 2015

Board of Health  
Tacoma-Pierce County Health Department  
Tacoma, Washington

### 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,

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

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## 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 Tacoma-Pierce County Health Department from January 1, 2014 through December 31, 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:

- Financial condition
- Refunds payments – prior audit follow-up
- Food handlers online system
- Inventory controls over immunization and drugs

## STATUS OF PRIOR AUDIT FINDINGS

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of the Tacoma-Pierce County Health Department. The State Auditor's Office has reviewed the status as presented by the Department.

<b>Audit Period:</b> 1/1/2013-12/31/2013	<b>Report Ref. No:</b> 1012884	<b>Finding Ref. No:</b> 1012884
<b>Finding Caption:</b> The Department did not have adequate internal controls over refunds, which resulted in a misappropriation of \$16,920.		
<b>Background:</b> On November 3, 2014, we released our Fraud Investigation report. That report disclosed the Department did not have adequate internal controls to monitor the check process. The refund checks were obtained by the budget and accounting coordinator, who had approved these payments, instead of being mailed. Also, The budget and accounting coordinator signed required approvers' names without detection.		
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> No Corrective Action Taken <input type="checkbox"/> Finding is considered no longer valid		
<b>Corrective Action Taken:</b> <i>Immediately after detection, the Department put in place additional safeguards and controls to prevent similar attempts of fraud. Further steps were taken to ensure staff was fully educated on their responsibility to alert the Department of any deviation of procedure.</i>		

## RELATED REPORTS

### **Financial**

Our opinion on the Department's financial statements and compliance with federal grant program requirements is provided in a separate report issued in September 2015, which includes the Department's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Department's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report issued in September 2015. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DEPARTMENT

The Tacoma-Pierce County Health Department was created by the city of Tacoma and Pierce County in 1971. The Department's mission is to safeguard and enhance the health of the communities of Pierce County. As part of this effort, the Department tackles known and emerging health risks through policy, programs and treatment in order to protect public health. The Department is responsible for the protection of public health in all cities and towns and unincorporated Pierce County.

An appointed, eight-member Board of Health governs the Department. The Board consists of the Pierce County Executive, three members of the Pierce County Council, the Mayor of Tacoma (or delegate), one member of the Tacoma City Council, one member at large and a member representing the Pierce County Cities and Towns Association. The Board appoints a Director of Health to oversee the Department's daily operations as well as its 249 employees. The Department is primarily funded by the city of Tacoma, Pierce County and state and federal grants. For 2014, the Department operated on an annual budget of \$31.8 million.

### 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 Tacoma-Pierce County Health Department 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.

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