



Washington State Auditor's Office

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Accountability Audit Report Eastern Washington University

For the period July 1, 2013 through June 30, 2015

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Washington State Auditor's Office

July 21, 2016

Board of Trustees
Eastern Washington University
Cheney, 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 University 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 University'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,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, University operations complied with applicable requirements and provided adequate safeguarding of public resources. The University 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 Eastern Washington University from July 1, 2013 through June 30, 2015.

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 University'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:

- Foundation
- Tuition waivers/scholarships
- Cash receipting
- Unrelated business income
- Payroll/personnel
- Payments/expenditures

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, 2015, 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.

Other reports

During the current audit period, the State Auditor's Office issued an examination report on the University's management's assertion regarding pensionable wages and contributions reported to the Washington State Department of Retirement Systems. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE UNIVERSITY

Eastern Washington University is a regional, comprehensive, public university located in Cheney with programs also offered in Bellevue, Everett, Kent, Seattle, Shoreline, Spokane, Tacoma, Vancouver and Yakima. It was established in 1882 as the Benjamin P. Cheney Academy. In 1977, the University was renamed Eastern Washington University and was designated a regional university. The University's main campus is located on 329 acres, approximately 150 of which are developed, approximately 17 miles southwest of the state's second largest city, Spokane. The University also has a Spokane campus, co-located with Washington State University on 48 acres adjacent to downtown Spokane, which serves over 2,200 students. The University serves both a residential student population as well as utilizing a low-cost bus service from Spokane to accommodate the large number of commuter students. In response to requests to expand access to higher education opportunities in the state, the University partners with Bellevue College, Pierce College, Clark College, South Seattle Community College, Lake Washington Institute of Technology and North Seattle Community College to offer baccalaureate degree completion programs at these locations. The University also offers the Master of Social Work degree program in Everett, Vancouver and Yakima.

The University owns seven residence halls to provide housing and specialized programs for students and offers University-owned apartments designated for families. The University provides housing for approximately 18 percent of students enrolled. The University offers nine dining locations on campus including espresso shops and convenience stores. Students who live in residence halls are required to purchase a residence dining plan.

During the 2015-2016 academic year, the University employed 445 full- and 324 part-time faculty. A significant number of faculty serve or have served as officers of their respective national professional societies. During the same 2015-2016 academic year, the University employed 538 full-time equivalent classified staff and 335 full time equivalent professional and administrative staff in addition to faculty. The operating budget for fiscal year 2016 was approximately \$270 million. The University also had a biennial capital budget of approximately \$47 million. The University's major revenue source is tuition and fees. An eight-member Board of Trustees, appointed by the Governor and confirmed by the Senate, is responsible for operating the multi-campus University as a single, comprehensive, legal entity under the administrative direction of the President.

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 Eastern Washington University 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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