



Washington State Auditor's Office

Government that works for citizens

Accountability Audit Report Centralia College

For the period July 1, 2011 through June 30, 2015

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Washington State Auditor's Office

May 2, 2016

Board of Trustees
Centralia College
Centralia, 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 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,

A handwritten signature in blue ink, reading "Jan M. Jutte".

JAN M. JUTTE, CPA, CGFM
DEPUTY 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 Centralia College from July 1, 2011 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 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:

- Cash receipting
- Payroll
- Disbursements
- Credit cards
- Small and attractive assets
- Foundation

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.

INFORMATION ABOUT THE COLLEGE

Founded in 1925, Centralia College is the oldest community college with continuous operation in the state of Washington. The College is accredited by the Northwest Commission on Colleges and Universities. It is among 34 community and technical colleges in the state. The College operates a satellite campus in Morton, an education center at Cedar Creek Corrections Center in Littlerock, and the Garrett Heyns Education Center at the Washington Corrections Center in Shelton. The College's five-member Board of Trustees is the primary policy-making body. The President and College staff administer day-to-day College operations. In 2014-2015, the College served 3,800 full- and part-time students with over 500 faculty and staff on a \$16.3 million operating budget. The College's operating budget was \$16.2 million in fiscal year 2014, and \$15.5 million and \$15.6 million in fiscal years 2013 and 2012, respectively. Major funding sources include state allocation from the State Board of Community and Technical Colleges and tuition fees. The College also receives local funds such as Running Start revenues and funds from numerous grants and contracts.

The College currently has one major construction project in the TransAlta College Commons Project. Construction on the 70,000 square foot building began July 1, 2015 and the estimated total cost is \$40 million. This new building will replace the student services building, provide facilities for Financial Aid, Enrollment Services, Student Programs, Cashiering, the College bookstore and cafeteria, and classrooms. The majority of the funding for this project is capital allocation, with the students funding a portion of this project through the assessment of fees upon themselves, along with privately raised capital campaign funds by the Centralia College Foundation. The TransAlta College Commons is attempting to achieve a Leadership in Energy and Environmental Design (LEED) gold rating for energy efficient "green" building standards which was also achieved on the College's last major construction project, the Walton Science Center. LEED recognizes architecture, design and energy usage that helps achieve climate neutrality.

Contact information related to this report	
Address:	Centralia College 600 Centralia College Boulevard Centralia, WA 98531-4099
Contact:	Marla Miller, Director Fiscal Services
Telephone:	(360) 736-9391 ext. 486
Website:	www.centralia.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Centralia 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	Adam Wilson Adam.Wilson@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