Office of the Washington State Auditor

Pat McCarthy

Accountability Audit Report

Pierce County Public Transportation Benefit Area Authority (Pierce Transit)

For the period January 1, 2016 through December 31, 2016

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Office of the Washington State Auditor
Pat McCarthy

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Board of Commissioners
Pierce Transit
Lakewood, 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 Authority 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 Authority'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,

Pat McCarthy

State Auditor

Olympia, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Authority 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 Pierce Transit from January 1, 2016 through December 31, 2016.

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 Authority'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:

- Expenditures
- Open public meeting minutes
- Self-insurance

RELATED REPORTS

Financial

Our opinion on the Authority's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Authority'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 Authority's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. 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 Authority. That report is available on our website, http://portal.sao.wa.gov/ReportSearch.

INFORMATION ABOUT THE AUTHORITY

Pierce County Public Transportation Benefit Area Authority, doing business as Pierce Transit, was formed in 1979 when voters passed a .3 percent sales tax to fund public transportation service to Pierce County. In 2002, Pierce County voters approved an increase to the local sales tax support from .3 percent to .6 percent. Pierce Transit also operates fixed route, specialized transportation (SHUTTLE) services for the elderly and disabled, and vanpool transportation services.

Pierce Transit is governed by a 10-member Board of Commissioners. The Board is made up of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place, the smaller towns and cities in the service area and one nonvoting Union Representative. Commissioners serve three-year terms.

The Board appoints management to oversee Pierce Transit's daily operations as well as its approximate 900 employees. Pierce Transit serves approximately 70 percent of Pierce County's residents. Its service area covers 292 square miles. During 2016, Pierce Transit's operating revenue totaled more than $53.0 million. In addition, Pierce Transit received non-operating income of more than $94.0 million in sales tax revenue and in operating and capital grants.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for Pierce Transit 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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