



**Office of the Washington State Auditor**  
**Pat McCarthy**

## **Accountability Audit Report**

# **Washington Association of County Officials (WACO)**

**For the period January 1, 2014 through December 31, 2016**

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**Office of the Washington State Auditor  
Pat McCarthy**

June 21, 2018

Board of Trustees  
WACO  
Olympia, 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 Association 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 independent audit report on the Association's compliance with applicable requirements and safeguarding of public resources for the 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 RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Association operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

Because public distribution of tests performed and the related results over information technology could increase the risk to the Association's IT security, distribution of that information has been limited to management and the governing body of the Association and is kept confidential under RCW 42.56.420.

### About the audit

This report contains the results of our independent accountability audit of the WACO from January 1, 2014 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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Association'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, based on our risk assessment for the years ended December 31, 2016, 2015 and 2014, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Compliance with Open Public Meetings Act
- Financial condition and fiscal sustainability
- General disbursements –controls
- Payroll – controls, recalculated payroll
- Credit card disbursements – controls
- Cash Receipting – controls, deposit testing
- Software conversion –transfer from QuickBooks to MIP

## INFORMATION ABOUT THE ASSOCIATION

In 1954, a group of county officials met informally and began discussing the formation of a collective organization to provide an enterprise approach to their dealings with state officials and legislature, and to provide training and communication. Such an organization, the Washington Association of County Officials (WACO), was incorporated in 1959 and was established in statute that same year. WACO is a non-partisan, non-political, non-profit organization consisting of Washington's elected county Assessors, Auditors, Clerks, Coroners, Prosecutors, Sheriffs and Treasurers and the comparable appointed officials in charter counties. The Association's primary mission remains unchanged during its 58 years after incorporation: To provide support, education, communication and assistance to its members so they can continue to provide the highest level of service to their taxpayers. The Association accomplishes its mission through many specific initiatives. The Association plays a significant role in representing its members and their offices in the Legislature. It drafts and supports bills that help members perform their statutory duties and oppose those that would frustrate the same. The Association educates the public to the roles and responsibilities of the elected officials' offices and supports communication between citizens and county government. The Association provides training opportunities to its members at value-priced, readily available, convenient and substantive education.

The Association is currently governed by a 19-member Board which directs the affairs and activities of the Association and formulates its policies. The Board appoints an Executive Director to oversee the Association's daily operations as well as manage its staff. The counties reimburse the costs of operating the Association.

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 WACO 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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