



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Thurston County

For the period January 1, 2017 through December 31, 2017

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

November 13, 2018

Board of Commissioners
Thurston County
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 County 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 County'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, County operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

About the audit

This report contains the results of our independent accountability audit of Thurston County from January 1, 2017 through December 31, 2017.

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 obtaining evidence about the County'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 year ended December 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Use of restricted funds including – county road fund, veteran's fund, road levy diversion and building permit fees
- Procurement – public works projects including prevailing wages and change orders
- Financial condition and fiscal sustainability
- Cash receipting at Public Health, fairgrounds, and third party licensing locations
- Superior Court – cash receipting, adjustments, trust account activity and reporting requirements
- Evaluated the design of departmental controls over disbursements
- Health Insurance Portability and Accountability Act (HIPAA) requirements – self assessment
- Utility billing adjustments
- Open public meeting minutes
- Payroll – policy and contract review for salaried employees

INFORMATION ABOUT THE COUNTY

Thurston County covers the southern region of Puget Sound, serving more than 276,900 residents. Its mission is to provide quality, timely and responsive service to its residents in the most cost-effective manner. These services include public safety (sheriff, judicial and emergency services), construction and maintenance of roads and bridges, sanitation facilities, health and social services, culture and recreation facilities and activities, water quality, flood control, planning and zoning services, and general administration services.

An elected, three-member Board of Commissioners is the primary policy-making body, exercising budgetary and financial control for the County. Additional independently elected officials, together with other departments, administer the County's daily operations as well as its 1,092 full-time employees. For fiscal year 2017, the County had a general fund operating expenditures budget of \$102.7 million.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for Thurston County 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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