

3.

ACCOUNTING

3.10 Compliance

3.10.6 New Entity Creation or Dissolution Notification

- 3.10.6.10 **This requirement is in addition to the reporting requirements for counties contained in state law (RCW [36.96.090](#)).**
- 3.10.6.20 In recent years we have encountered public entities that were created by local governments through interlocal agreements or other arrangements (e.g., transportation benefit districts, community facility districts and any entities created by interlocal agreements). These entities were not audited timely or found themselves facing issues that may have been avoided if our Office had known about these entities. To avoid similar situations, we are requiring all local governments to continuously report to our Office information regarding the creation or dissolution of such entities.
- 3.10.6.30 This will allow our Office to provide timely advice and assistance in the initial stages of formation so entities understand state, local and federal requirements and foster public accountability and meet public expectations. Our Office will be able to assist the new entity in establishing the appropriate accounting and financial reporting model and determine if the entity requires a separate audit and, if it does, schedule it in a timely manner.
- 3.10.6.40 Similarly, the ongoing report regarding dissolution of entities would allow us to conduct timely final audits and provide us with opportunities to provide advice or referral regarding issues associated with dissolutions.
- 3.10.6.50 The [New Entity Creation or Dissolution Notification](#) form outlines the required details. The completed form should be submitted electronically to the local audit team. For questions regarding this process, please use the [HelpDesk](#) through our Online Services.