

Washington State Auditor's Office
Accountability Audit Report

Whidbey Island Public Hospital District
(Whidbey General Hospital)
Island County

Report Date
March 27, 2013

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May 6, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

May 6, 2013

Board of Commissioners
Whidbey General Hospital
Coupeville, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Whidbey General Hospital's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

A handwritten signature in black ink that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

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Island County
March 27, 2013

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Audit Summary

**Whidbey General Hospital
Island County
March 27, 2013**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Whidbey General Hospital from January 1, 2011 through December 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

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 noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Citizen Hotline concern - overtime back pay
- Cafeteria cash receipting
- Payroll

RESULTS

In most areas, the District complied with state laws and regulations and its own policies and procedures.

However, we noted certain matters that we communicated to District management. We appreciate the District's commitment to resolving those matters.

Related Reports

**Whidbey General Hospital
Island County
March 27, 2013**

FINANCIAL

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available from the District.

Description of the District

Whidbey General Hospital Island County March 27, 2013

ABOUT THE DISTRICT

Whidbey Island Public Hospital District, doing business as Whidbey General Hospital, is located in Island County. The District provides comprehensive health care that includes professional nurses and support staff in Coupeville and two satellite clinics located on the north and south end of Whidbey Island.

In 1997 legislation authorized states to establish state Medicare Rural Hospital Flexibility programs under which certain facilities participating in Medicare can become Critical Access Hospitals. As a result, the District achieved the Critical Access designation in January 2006. Medicare now pays the District one percent above costs for services rendered to Medicare patients. The Medicare Critical Access Hospital is a licensed, 51-bed facility with 25 inpatient beds and 26 observation stretchers.

An elected, five-member Board of Commissioners governs the District. The Board appoints management to oversee the District's daily operations as well as its 750 employees. In fiscal year 2011, the District operated on approximately \$85.3 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:	Anne Tarrant
	Ron Wallin
	Grethe Cammermeyer, PhD
	Paul Zaveruha, MD
	Roger Case, MD

Note: Georgia Gardner replaced Dr. Zaveruha in 2012

APPOINTED OFFICIALS

Chief Executive Officer	Tom Tomasino
Chief Financial Officer	Joe Vessey, CPA
Chief Operating Officer	Hank Hanigan

Note: Terry Litke replaced Joe Vessey in 2012

DISTRICT CONTACT INFORMATION

Address: Whidbey General Hospital
101 N. Main Street
Coupeville, WA 98239-3413

Phone: (360) 678-7656

Website: www.whidbeygen.org

AUDIT HISTORY

We audit the District annually. During the last 10 audits, we issued one finding in 2003 related to contracts. That finding has since been resolved.

District management has been responsive to our audit recommendations. We believe this reflects the District's desire and commitment to maintain a strong financial system.



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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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