



# Washington State Auditor's Office

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## Accountability Audit Report

# Washington State Commission on African American Affairs

For the period July 1, 2012 through June 30, 2013

Published April 14, 2016

Report No. 1016309





## Washington State Auditor's Office

April 14, 2016

Mr. Edward Prince, Executive Director  
Washington State Commission on African American Affairs

### 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 Commission 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 Commission'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,

JAN M. JUTTE, CPA, CGFM  
DEPUTY STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In most areas we audited, Commission operations complied with applicable requirements and provided adequate safeguarding of public resources. The Commission also complied with state laws and regulations and its own policies and procedures in the areas we examined.

However, we identified areas in which the Commission could make improvements.

We recommended the Commission strengthen internal controls over Commission funds to ensure adequate monitoring over purchases with Commission funds and ensure that adequate records are retained to support the business purpose of all purchases in accordance with the State Records Retention Schedules.

We further recommended that the Commission seek the advice of the state Attorney General's Office to ensure that conflict-of-interest or ethics laws are not violated.

These recommendations were included in our report as a finding.

We also noted certain matters that we communicated to Commission management in a letter dated March 31, 2016, related to meals and light refreshments. We appreciate the Commission's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of the Washington State Commission on African American Affairs from July 1, 2012 through June 30, 2013.

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 Commission'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:

- Safeguarding of assets
- Payroll
- Purchase of goods and services
- Use of restricted funds
- Expenditures, vouchers and credit card

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

**2013-001 The Commission on African American Affairs diverted public funds to a private organization and could not demonstrate funds were spent in accordance with state law.**

### *Background*

The Commission on African American Affairs (the Commission) examines and defines issues pertaining to the rights and needs of African-Americans in Washington State and makes recommendations to the Governor, the Legislature and state agencies for changes in state programs and laws.

State law allows the Commission to raise funds by receiving gifts, grants and endowments from public or private sources. Fundraising proceeds should directly benefit the Commission's mission. The Commission, as a state agency, must consider any funds from private or public sources as public funds.

### *Description of Condition*

In December 2006, the Commission's former Executive Director entered into an agreement with a former Commissioner's non-profit. This agreement allowed the Commission's public funds to be diverted to, and spent by, the non-profit. Additionally, the agreement allowed the former commissioner complete access and control of the Commission's money.

Between December 2006 and February 2012, when the agreement was in place, our audit found that the former Commissioner's non-profit made \$258,000 in unsupported or unallowable payments with Commission dollars. Total donations collected on behalf of the Commission during this time period was \$284,000.

This agreement remained in place until February 2012, when the Governor appointed a new Executive Director. At this time the agreement was dissolved (through a letter) and all unspent Commission funds were returned. The non-profit returned \$155.

Our audit found the Commission did not have adequate internal controls to prevent public funds from being diverted, or to ensure the diverted public funds were spent appropriately.

As a result, we found:

- The former Commissioner and President of the non-profit placed all Commission funds in bank accounts solely controlled by the non-profit. The signatory cards obtained from these bank accounts show that no Commissioners or staff of the Commission had access to these accounts.
- No records or evidence could be located showing the agreement was approved by the Commission. Due to a lack of meeting minutes, there is no evidence that the agreement was discussed in any Commission meetings.
- Under the agreement, the non-profit was required to submit annual reports, along with copies of bank statements, to the Commission each July. We found only one instance, in July 2007, that the non-profit provided the Commission an annual written report of funds received and disbursed, along with copies of the bank statements.
- Funds were spent on items that appear to be unallowable and in some cases, conflicts of interest.

### *Cause of Condition*

The Commission diverted public funds to a non-profit. Former Commission management thought the diversion of funds removed the Commission from the required oversight and internal control requirements of a state agency.

### *Effect of Condition*

As a result of the diversion of public funds to a non-profit, public funds were spent for unallowable purposes. Furthermore, many of the payments made were unsupported, and violations of state ethics laws may have occurred.

Specifically, our audit found:

#### Issues related to receipt of funds

- The Commission charged private businesses for advertising on its state website, in violation of state law. We found one company was invoiced \$5,000 per quarter for these services. The money obtained for advertising was treated as a donation and deposited into accounts managed by the non-profit. In total, our audit found \$32,500 deposited with the non-profit for advertising. A copy of an invoice requesting an additional \$15,000 for advertising was sent to a commercial business, but we found no evidence that the payment was received.

## Issues related to disbursements and expenditures

### *Unsupported payments*

- We were unable to locate contracts for approximately \$103,000 of services paid for with Commission funds. These services include consulting, facilitation, training, and other services provided to the Commission's clients and the commissioners. Without support, we were unable to determine if the payments were allowable, in accordance with state law, and for official Commission purposes. We were also unable to verify contractors provided all agreed upon services before being paid, as required by state policy.
- We identified \$96,000 in unsupported expenditures. For some of these payments, the payee and/or the purpose of the payments could not be determined. The former Commissioner and/or the Executive Director at the time requested many of these payments via letters and memos. However, receipts and invoices for these expenses were not maintained.
- The Commission paid approximately \$11,000 for leases and rentals of commercial spaces. No authorizing documentation was obtained prior to entering into these leases and rentals. In many instances, the business necessity of these leases was not documented. In addition, for part of the period under audit and during the state recession, an Executive Order required State agencies to limit rentals to other governmental agencies when possible. This required written approval to lease commercial spaces during this time. Our review found no such prior written approvals.

### Unallowable payments

- The non-profit spent more than \$69,000 to host activities and events for the general public. These events included Advocacy Training offered to citizens across the state and transporting and feeding private citizens to attend legislative sessions and events. State policy requires any expenditures for food, refreshments, or for social activities to be formally approved in writing and for the agency to document the event's attendees and the business purpose of the meeting. We identified the following unallowable expenditures:
  - More than \$22,000 to provide transportation to events
  - \$6,750 for entertainment
  - More than \$3,500 for purchases of rain ponchos for attendees

- \$575 to generate attendance at events for which private parties were paid \$25 for each African-American individual under 25 years of age brought to an event and \$20 for anyone else.
- The non-profit purchased nearly \$50,000 in food and refreshments with Commission funds. No written approval or documentation showing attendees and the business purpose of the meeting was retained. None of the food purchases were preapproved in writing. In addition, in approximately \$47,000 of these food purchases, itemized receipts, were not maintained. Without adequate support, we were unable to determine if these were allowable expenditures.
- The non-profit organization donated approximately \$54,000 to other non-profits. This included a \$25,000 donation to an organization that the former Executive Director was working for at the time of the donation. We determined that these donations did not have enough support to determine that they benefited the Commission.
- The Commission received two grants from the Bill & Melinda Gates Foundation (the Gates Foundation), the first in November of 2009 in the amount of \$146,025 to “*support African-American, Latino/Hispanic, and Asian/Pacific Islander communities supporting high-value, high impact education reforms in Washington State.*” In January 2011, the Commission received a grant of \$43,500 from the Gates Foundation to create a new non-profit to continue the work of one of the Commission’s committees. The Commission failed to create the required new non-profit and instead deposited the grant money with the former Commissioner’s existing non-profit. (The new non-profit was eventually created in 2014, well after the grant funds had been spent.)
- Another problem arose with the way the Gates grant money was used by the former Commissioner’s non-profit. The non-profit spent approximately \$40,000 for services that appeared to be for lobbying. The Gates grant prohibits use of its money for lobbying expenses. These costs were not reported to the State Public Disclosure Commission, as required by state law.
- The audit found more than \$5,000 in disbursements that were specifically prohibited by state policy. This included a payment of \$2,780 to a gambling establishment and more than \$500 in alcohol purchases.

- Initially, the former Commissioner's non-profit had been managing the Commission's donated funds at no charge. In July 2008, the agreement between the Commission and non-profit was revised to include a fee for services payable to the non-profit. The amount of this fee was 5 percent of all funds the non-profit received for the Commission's benefit. In 2010, despite the state of Washington offering free accounting services to small agencies through Small Agency Financial Services, the Executive Director and the former Commissioner also entered into a contract with a Certified Public Accountant firm for bookkeeping services for \$300 per month. In total, from July 2008 until February 2012 when the agreement was terminated, the Commission paid more than \$15,600 to manage and account for donated funds. As part of that expense, the Commission paid the CPA firm for the cost of tax preparation fees; as a government agency, the Commission is not required to file any tax returns.

#### Conflicts of Interest and Ethics Violations

- The former Commissioner and Executive Director paid more than \$5,600 in unrestricted grants and expenses on behalf of another non-profit organization, this one established and registered to the Commission's Executive Assistant.
- In addition to payment to this non-profit, more than \$2,600 was paid directly to Commission employees. Some of these payments were reimbursements for expenses, such as travel. The travel reimbursements had no documentation showing the travel was for state business, or that it had been approved as required by state policy. These expenses show the Commission's Executive Director traveling out of state on at least two occasions, at a time when state employees were prohibited by an Executive Order from traveling out of the state without written approval. There is no record of such approval.
- At least one payment of \$500 was a bonus for work the Executive Assistant performed as part of her regular state duties.

#### ***Recommendation***

We recommend the Commission:

- Establish internal controls over Commission funds in accordance with state policy requirements.
- Ensure adequate monitoring and approval procedures are in place over all public funds.

- Ensure records are retained to support the business purpose of all purchases in accordance with the State Records Retention Schedules.
- Review financial reports and bank statements of all Commission funds monthly.
- Seek the advice of the state Attorney General’s Office to ensure that conflict-of-interest or ethics laws are not violated.

### ***Commission’s Response***

*Under current leadership, the Commission on African American Affairs has instituted internal controls to ensure issues like what happened previously do not occur again.*

*Any and all donated funds the commission receives goes into our state account which is overseen by small agency financial services. The Commission currently follows the SAAM manual and contacts staff at SAFS when assistance is needed.*

*The findings are an unfortunate part of our history and all the staff and members of the Commission can do now is move forward and continue to build the public trust.*

### ***Auditor’s Remarks***

We appreciate the Commission’s commitment to resolving the issues noted. We will review the status during the next audit.

### ***Applicable Laws and Regulations***

Washington State’s Constitution, states the following:

#### ***Article II Section 25 EXTRA COMPENSATION PROHIBITED***

The legislature shall never grant any extra compensation to any public officer, agent, employee, servant, or contractor, after the services shall have been rendered, or the contract entered into, nor shall the compensation of any public officer be increased or diminished during his term of office. Nothing in this section shall be deemed to prevent increases in pensions after such pensions shall have been granted.

#### ***Article VIII Section 7 CREDIT NOT TO BE LOANED.***

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit

to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.

#### RCW 42.32.030 Minutes

The minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.

#### RCW 42.52.030 Financial interests in transactions.

(1) No state officer or state employee, except as provided in subsection (2) of this section, may be beneficially interested, directly or indirectly, in a contract, sale, lease, purchase, or grant that may be made by, through, or is under the supervision of the officer or employee, in whole or in part, or accept, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in the contract, sale, lease, purchase, or grant.

(2) No state officer or state employee may participate in a transaction involving the state in his or her official capacity with a person of which the officer or employee is an officer, agent, employee, or member, or in which the officer or employee owns a beneficial interest, except that an officer or employee of an institution of higher education or the \*Spokane intercollegiate research and technology institute may serve as an officer, agent, employee, or member, or on the board of directors, board of trustees, advisory board, or committee or review panel for any nonprofit institute, foundation, or fund-raising entity; and may serve as a member of an advisory board, committee, or review panel for a governmental or other nonprofit entity.

#### RCW 42.52.070 Special Privileges

Except as required to perform duties within the scope of employment, no state officer or state employee may use his or her position to secure special privileges or exemptions for himself or herself, or his or her spouse, child, parents, or other persons.

RCW 42.52.110 Compensation for official duties or nonperformance.

No state officer or state employee may, directly or indirectly, ask for or give or receive or agree to receive any compensation, gift, reward, or gratuity from a source for performing or omitting or deferring the performance of any official duty, unless otherwise authorized by law except: (1) The state of Washington; or (2) in the case of officers or employees of institutions of higher education or of the \*Spokane intercollegiate research and technology institute, a governmental entity, an agency or instrumentality of a governmental entity, or a nonprofit corporation organized for the benefit and support of the state employee's agency or other state agencies pursuant to an agreement with the state employee's agency.

RCW 42.52.120 Compensation for outside activities

(1) No state officer or state employee may receive any thing of economic value under any contract or grant outside of his or her official duties. The prohibition in this subsection does not apply where the state officer or state employee has complied with [\\*RCW 42.52.030](#)(2) or each of the following conditions are met:

- (a) The contract or grant is bona fide and actually performed;
- (b) The performance or administration of the contract or grant is not within the course of the officer's or employee's official duties, or is not under the officer's or employee's official supervision;
- (c) The performance of the contract or grant is not prohibited by [RCW 42.52.040](#) or by applicable laws or rules governing outside employment for the officer or employee;
- (d) The contract or grant is neither performed for nor compensated by any person from whom such officer or employee would be prohibited by [RCW 42.52.150](#) (4) from receiving a gift;
- (e) The contract or grant is not one expressly created or authorized by the officer or employee in his or her official capacity;

(f) The contract or grant would not require unauthorized disclosure of confidential information.

(2) In addition to satisfying the requirements of subsection (1) of this section, a state officer or state employee may have a beneficial interest in a grant or contract or a series of substantially identical contracts or grants with a state agency only if:

(a) The contract or grant is awarded or issued as a result of an open and competitive bidding process in which more than one bid or grant application was received; or

(b) The contract or grant is awarded or issued as a result of an open and competitive bidding or selection process in which the officer's or employee's bid or proposal was the only bid or proposal received and the officer or employee has been advised by the appropriate ethics board, before execution of the contract or grant, that the contract or grant would not be in conflict with the proper discharge of the officer's or employee's official duties; or

(c) The process for awarding the contract or issuing the grant is not open and competitive, but the officer or employee has been advised by the appropriate ethics board that the contract or grant would not be in conflict with the proper discharge of the officer's or employee's official duties.

(3) A state officer or state employee awarded a contract or issued a grant in compliance with subsection (2) of this section shall file the contract or grant with the appropriate ethics board within thirty days after the date of execution; however, if proprietary formulae, designs, drawings, or research are included in the contract or grant, the proprietary formulae, designs, drawings, or research may be deleted from the contract or grant filed with the appropriate ethics board.

(4) This section does not prevent a state officer or state employee from receiving compensation contributed from the treasury of the United States, another state, county, or municipality if the compensation is received pursuant to arrangements entered into between such state, county, municipality, or the United States and the officer's or employee's agency. This section does not prohibit a

state officer or state employee from serving or performing any duties under an employment contract with a governmental entity.

(5) As used in this section, "officer" and "employee" do not include officers and employees who, in accordance with the terms of their employment or appointment, are serving without compensation from the state of Washington or are receiving from the state only reimbursement of expenses incurred or a predetermined allowance for such expenses.

RCW 42.52.160 Use of persons, money, or property for private gain.

(1) No state officer or state employee may employ or use any person, money, or property under the officer's or employee's official control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another.

(2) This section does not prohibit the use of public resources to benefit others as part of a state officer's or state employee's official duties.

(3) This section does not prohibit de minimis use of state facilities to provide employees with information about (a) medical, surgical, and hospital care; (b) life insurance or accident and health disability insurance; or (c) individual retirement accounts, by any person, firm, or corporation administering such program as part of authorized payroll deductions pursuant to RCW [41.04.020](#).

(4) The appropriate ethics boards may adopt rules providing exceptions to this section for occasional use of the state officer or state employee, of de minimis cost and value, if the activity does not result in interference with the proper performance of public duties.

RCW 43.88.160 Fiscal management – Powers and duties of officers and agencies, states in part:

The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter.

The Office of Financial Management's *State Administrative and Accounting Manual* (SAAM), states in part:

Section 10.20.20 What types of travel costs cannot be reimbursed (states in part)?

The following types of travel-related costs **shall not** be reimbursed.

1. Alcoholic beverage expenses...

*Section 20.15.30.a* Who is responsible for internal control?

The agency head or authorized designee is ultimately responsible for identifying risks and establishing, maintaining, and reviewing the agency's system of internal control. If the agency head delegates this responsibility, the designated person should have sufficient authority to carry out these responsibilities. Normally, this person is a senior agency manager who does not serve in the internal audit function.

Section 20.15.40.c Control Activities.

Control activities help ensure risk responses are effectively carried out and include policies and procedures, manual and automated tools, approvals, authorizations, verifications, reconciliations, security over assets, and segregation of duties. These activities occur across an agency, at all levels and in all functions, and are designed to help prevent or reduce the risk that agency objectives will not be achieved.

Managers set up control activities to provide reasonable assurance that the agency and business unit objectives are met. An example of a control activity is something as simple as listing tasks assigned to staff members and then periodically checking the list to verify that assignments are completed on time.

Section 20.15.40.e Monitoring:

Monitoring evaluates the effectiveness of an agency's internal controls and is designed to ensure that internal controls continue to operate effectively. Monitoring is effective when it leads to the identification and correction of control weaknesses

before they materially affect the achievement of the agency's objectives.

#### Section 85.50.40 Reconciliation of cash receipts and deposits

Accounts maintained in financial institutions or credit unions, including petty cash accounts, are to be promptly reconciled with agency records on a monthly basis. The balance shown on the bank statement may not agree with the agency's book balance.

Variances can occur because of outstanding checks, deposits in transit, bank service charges, or other adjustments. Adjusting entries may be required when entries appear on the bank statement without corresponding entries in the agency's books. Adjusting entries, if necessary, are to be promptly prepared and recorded in the agency's records.

#### Section 70.10.10 The agency must first adopt written policies

An agency may not provide [coffee and light refreshments](#) at meetings and formal training sessions unless the agency has formally adopted written internal policies and procedures that describe the approval process for these items.

In accordance with Executive Order 13-06, executive cabinet agencies are required, and all other agencies strongly encouraged, to incorporate healthy food and beverages in their coffee and light refreshment internal policies. Refer to <http://www.doh.wa.gov/CommunityandEnvironment/WorksiteWellness/HealthyNutritionGuidelines.aspx>

#### Section 70.10.20 When may coffee and light refreshments be served?

Section 70.10.20.a Per RCW 43.03.050(4), with approval of an agency head or authorized designee, an agency may serve coffee or light refreshments at a meeting where:

- The purpose of the meeting is to conduct state business or to provide formal training that benefits the state; and
- The coffee or light refreshment is an integral part of the meeting or training session; and

- The agency obtains a receipt for the actual costs of the coffee and/or light refreshments.

#### Section 70.10.20.b

This authority is not intended for use with the normal daily business of elective or appointive officials or state employees, but rather for special situations or occasions, as determined by the agency head or authorized designee, for example, recognizing agency or employee accomplishments. Per RCW 43.03.050(3), in addition to the requirements noted in Subsection 70.10.20.a, coffee and light refreshments may be served to elective or appointive officials or state employees regardless of travel status where:

- The meeting or training session takes place away from the employee's or official's regular workplace; and
- The agency person responsible for the meeting receives agency approval for the serving of coffee and/or light refreshments prior to the event.

#### Section 70.10.20.c

All legally authorized boards and commissions may provide coffee and/or light refreshments at their official public meetings, including executive sessions.

#### Section 70.10.20.d

Agencies are not required to provide coffee and/or light refreshments at meetings.

#### Section 70.10.30

Expenditures for coffee and light refreshments are prohibited in some cases

Agencies may not make expenditures for coffee and/or light refreshments in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.

- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for coffee and/or light refreshments for those whom agencies are not legally authorized to reimburse.

#### Section 70.10.40 Documentation of approval is required

Agencies must document the request and approval for expenditures for coffee and/or light refreshments. Agencies may use a Travel Authorization (form A40-A) or agency equivalent form, an Invoice Voucher (form A19-1A), or a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and
- The purpose of the meeting or expenditure.

#### Section 70.15.10 Reimbursement for meals with meetings

The agency head or authorized designee may authorize reimbursement for the allowable cost of meals (refer to Subsections 10.40.40 and 10.90.20) for elective and appointive officials and state employees regardless of travel status, and without regard to the Three Hour Rule of Subsection 10.40.50 (1). This authority is intended for use when the agency requires a person to attend a meeting where business meals are served, and where:

- The purpose of the meeting is to conduct official state business or to provide training to state employees or state officials; and
- The meals are an integral part of the business meeting or training session, and

- The meeting or training session takes place away from the employee's or official's regular workplace, and
- The agency obtains a receipt for the actual costs of the meals with meetings, and
- The agency head or authorized designee approves payment for the meals in advance of the meeting by defining in the agency internal policies and procedures (Subsection 10.10.10) those meetings where attendance by agency employee(s), official(s) or others as authorized by statute, and reimbursement for the meals regardless of travel status, is advantageous to the state.

Approvals must be in writing (Subsection 70.15.30). One-time approvals for recurring meetings can be made at the time of the initial request.

Section 70.15.20 Expenditures for meals with meetings are prohibited in some cases

Agencies may not make expenditures for meals in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for meals for those whom agencies are not legally authorized to reimburse.

Section 70.15.30 Documentation of advance approval for meals with meetings is required

Agencies must document the request and approval in advance for expenditures for meals with meetings. Agencies may use a Travel Authorization (form A40-A) or agency equivalent form, an Invoice Voucher (form A19-1A), or a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and
- The purpose or accomplishments of the meeting.

Washington Laws, 2009, Chapter 294, Sec 4.

Consistent with the governor's directive dated August 4, 2008, state agencies of the legislative, executive, and judicial branches shall not make expenditures for cost or reimbursement of out-of-state travel or out-of-state training by state employees where travel or training is not related to (1) an emergency or other catastrophic event that requirement government action or to protect life of public safety, or (2) direct service deliver, and the travel or training occurs after February 18, 2009, and before July 1, 2009.

Washington Laws, 2009, Chapter 294, Sec 4.

EXCEPTIONS.....(2) For agencies of the executive branch, the exceptions shall be subject to approval by the director of financial management.

The letter from Bill & Melinda Gates Foundation, dated November 9, 2009, awarding the grant to the Commission states:

This grant is not in any way earmarked to support lobbying activity or to otherwise support attempts to influence local, state, federal or foreign legislation.

## RELATED REPORTS

### **Financial**

We perform an annual audit of the statewide basic financial statements, as required by state law (RCW 43.09.310). Our opinion on these financial statements is included in the Comprehensive Annual Financial Report (CAFR) prepared by and available from the Office of Financial Management.

The CAFR reflects the financial activities of all funds, organizations, institutions, agencies, departments and offices that are part of the state's reporting entity. That report is issued by the Office of Financial Management in December of each year and can be found at [www.ofm.wa.gov](http://www.ofm.wa.gov).

A summary of the audit for the period ending June 30, 2013 can be found at: <http://www.sao.wa.gov/resources/Pages/AnnualReports.aspx>.

### **Federal programs**

In accordance with the Single Audit Act, we annually audit major federal programs administered by the state of Washington. Rather than perform a single audit of each agency, we audit the state as a whole. The results of that audit are published in a report issued by the Office of Financial Management in March of each year.

## INFORMATION ABOUT THE COMMISSION

An Executive Order was issued in 1989 to establish the Commission on African American Affairs. The Commission was made into Washington state law in 1992. The Commission's function is to develop better public policy on delivering government services to the African American Community. The Commission's mission is to encourage the development and implementation of policies, programs, and practices which are specifically intended to improve conditions affecting the cultural, social, economic, political, educational, health, and general well-being of African American people throughout the state.

The Commission's Advisory Board is made up of nine Governor-appointed Commissioners. Commissioners serve three-year terms and may serve two consecutive terms. Franklin Donahoe is the current Commission Chairperson. The Commission's only office is located in Olympia, staffed with the Governor-appointed Executive Director and an Executive Assistant.

For the 2013-2015 biennium, the Commission's operating budget was approximately \$471,000. The Commission also receives gifts, grants and endowments from public and private sources.

<b>Contact information related to this report</b>	
Address:	Washington State Commission on African American Affairs P.O. Box 40926 Olympia, WA 98504-0926
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Telephone:	(360) 725-5664
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*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for the Washington State Commission on African American Affairs 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.

<b>Contact information for the State Auditor's Office</b>	
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