



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Yakima Valley College

For the period July 1, 2014 through June 30, 2018

Published May 13, 2019

Report No. 1023734





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

May 13, 2019

Board of Trustees
Yakima Valley College
Yakima, 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 College 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 College'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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

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 most of the areas we examined, College operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we noted certain matters that we communicated to College management and Board of Trustees in a letter dated May 6, 2019, related to procurement requirements and billings and cash receipting at the Dental Hygiene Department. We appreciate the College's commitment to resolving those matters.

Additionally, as noted under the Related Reports – Special Investigations section of this report, certain matters were examined and reported as part of a separate engagement.

About the audit

This report contains the results of our independent accountability audit of the Yakima Valley College from July 1, 2014 through June 30, 2018.

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 43.09.310, which requires the Office of the State Auditor to examine the financial affairs of all state agencies. Our audit involved performing procedures to obtain evidence about the College's use 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 June 30, 2018, 2017, 2016 and 2015, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Procurement – public works and purchases
- General disbursements and credit card activity
- Payroll – supplemental contracts, stipends, sick leave and leave payout
- Third party receipting – bookstore, food services and childcare
- Selected IT security policies, procedures, practices, and controls protecting financial systems, IT systems, and data
- Cash receipting at the main cashiers office
- Billings and cash receipting at the Dental Hygiene Department
- Student services and activities including fundraisers and payments
- Collection of unpaid parking citations at the Security Department

RELATED REPORTS

Financial

Our opinion on the College's financial statements is provided in a separate report. That report is available on our website, http://portal.sao.wa.gov/ReportSearch_

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.

A summary of the audit for the period ending June 30, 2018, 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.

Performance audits

Initiative 900, approved by voters in 2005, gives the State Auditor's Office the authority to conduct independent performance audits of state and local government entities. Performance audits may include objective analysis on ways to improve program performance and operations, reduce costs and identify best practices.

We issued the separate Safe Data Disposal: State Reduces the Risk of Disclosing Confidential Information performance audit report, which is available on our website, http://portal.sao.wa.gov/ReportSearch_.

Special investigations

During our current audit period, the State Auditor's Office issued a letter to College management relating to a loss of public funds. We appreciate the College's commitment to resolving those matters.

INFORMATION ABOUT THE COLLEGE

Yakima Valley Community College is a state-supported school that was founded in 1928. The College is one of 34 community and technical colleges in a statewide system. It has one branch campus in Grandview and a field office in Toppenish. The College is approximately 144 miles east of Seattle in a culturally diverse community. It serves more than 6,000 students per quarter with approximately 300 full-time and 200 part-time employees. The College's annual operating expenses were approximately \$54.9 million for fiscal year 2017 and \$56.1 million for fiscal year 2018.

A five-member Board of Trustees, appointed by the Governor, is responsible for oversight of College operations. Dr. Linda Kaminski has served as the College President since 1995.

Contact information related to this report	
Address:	Yakima Valley College P.O. Box 22520 Yakima, WA 98907
Contact:	Teresa Rich, Vice President of Administrative Services
Telephone:	(509) 574-4667
Website:	www.yvcc.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Yakima Valley College 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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov