



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
University of Washington

For the period July 1, 2017 through June 30, 2018

Published August 8, 2019

Report No. 1024357





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

Issue Date – (Inserted by OS)

Board of Trustees
University of Washington
Seattle, 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 University 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 University'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, University 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 the University of Washington from July 1, 2017 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 University'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 year ended June 30, 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Workday implementation – We reviewed the oversight of the implementation of the human resource management system by third party specialists.
- Event parking cash receipts – We reviewed parking for events receipted through Transportation Services.
- Commuter tickets and validations – We reviewed controls to determine if these physical parking vouchers were protected from purchase to disbursement including a proper separation of duties.
- Excess compensation – We verified employees were eligible to receive compensation for work performed above and beyond position requirements for College of Education, College of the Environment, College of Built Environments and School of Law
- Vacation and Sick Leave usage – We verified employees submitted leave slips for time taken in the College of Education, College of the Environment, College of Built Environments and School of Law

- Travel reimbursements – We reviewed internal controls, supporting documentation and compliance with SAAM requirements at the College of Education, College of the Environment, College of Built Environments and School of Law
- Incentive payments – We reviewed internal controls over gift cards for research, employee and student awards.

INFORMATION ABOUT THE UNIVERSITY

Founded on November 4, 1861, the University of Washington is one of the oldest state-supported institutions of higher education on the Pacific Coast. The University has three campuses located in Seattle, Tacoma and Bothell and 16 major schools and colleges. The Seattle campus has 286 buildings on 634 acres. The primary mission of the University is the preservation, advancement and dissemination of knowledge.

The University is governed by a 10-member Board of Regents, appointed by the Governor and confirmed by the state Senate. The University's budget for fiscal year 2018 was approximately \$7.25 billion.

The primary revenue sources include tuition, grants, contracts and medical services. The University employs approximately 31,000 faculty and staff members. Enrollment for Autumn Quarter 2018 was 59,260 undergraduate and graduate students.

A highly rated research institution, the University generated \$1.6 billion in gift, grant and contract revenue during fiscal year 2018. The University is one of the largest U.S. public educational institution that receives federal assistance. The University also has many self-sustaining business operations that include UW Medicine (which includes four hospitals and multiple clinics), educational outreach, intercollegiate athletics, housing and food services, and parking operations, and a number of other specialized service facilities.

Contact information related to this report	
Address:	University of Washington Office of Planning & Budgeting P.O. Box 359445 Seattle, WA 98195-9445
Contact:	Richard Cordova, Executive Director of Audits
Telephone:	(206) 543 4028
Website:	www.washington.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for the University of Washington 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