



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

# **Accountability Audit Report**

## **Seattle Indian Services Commission**

**For the period January 1, 2016 through December 31, 2018**

**Published January 30, 2020**

**Report No. 1025648**





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

January 30, 2020

Board of Directors  
Seattle Indian Services Commission  
Seattle, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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.

Attached is our independent audit report on the Commission'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

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Commission operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of the Seattle Indian Services Commission from January 1, 2016 through December 31, 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 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining 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. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2018, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following area during this audit period:

- Banking activities – disbursements and transfers between bank accounts

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Seattle Indian Services Commission January 1, 2016 through December 31, 2018

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> January 1, 2013 through December 31, 2015	<b>Report Ref. No.:</b> 1017770	<b>Finding Ref. No.:</b> 2015-001
<b>Finding Caption:</b> The Seattle Indian Services Commission did not issue timely annual financial reports.		
<b>Background:</b> The Commission contracted with an accounting firm to prepare the financial reports. The City of Seattle as the Commission's oversight agency, assisted with the submittal of these reports. During the prior audit, we found the Commission: <ul style="list-style-type: none"> <li>Did not submit its annual financial reports for fiscal years 2013 and 2014.</li> <li>Submitted the fiscal year 2015 annual report 29 days after the due date.</li> </ul>		
<b>Status of Corrective Action: (check one)</b> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Fully Corrected         </div> <div> <input type="checkbox"/> Partially Corrected         </div> <div> <input type="checkbox"/> Not Corrected         </div> <div> <input type="checkbox"/> Finding is considered no longer valid         </div> </div>		
<b>Corrective Action Taken:</b> <i>The Commission has taken the necessary steps to ensure adequate internal controls over recordkeeping and financial statement preparation. Since 2013, the Commission has retained the services of a private certified public accounting firm to conduct audits of its financial statements. The Commission has also improved its recordkeeping by retaining, through the City of Seattle, a property management firm for all recordkeeping/financial management functions. The Commission believes these actions, along with continued support from the City of Seattle, will ensure that accounting records and accurate/timely financial reporting will occur.</i>		

## RELATED REPORTS

### **Financial**

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE COMMISSION

The Seattle Indian Services Commission is a public corporation formed by the City of Seattle in 1972 to serve the Native American residents of Seattle/King County. The Commission was chartered to act as an umbrella organization for other agencies that provide services. The Commission owns and rents space in the Pearl Warren Building to social service providers and derives most of its revenue from the rent. The City of Seattle is its primary tenant and Commission offices are located in its building.

The Commission has an annual budget of \$500,000. The Commission is governed by a five-member Board of Directors, consisting of: One member appointed by the Mayor of Seattle, who serves as Chair; and four members appointed by the Commission's Governing Council. All members are subject to confirmation by the Seattle City Council.

Contact information related to this report	
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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Seattle Indian Services Commission 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	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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