



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

# **Accountability Audit Report**

## **Thurston County**

**For the period January 1, 2019 through December 31, 2019**

**Published July 2, 2020**

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

July 2, 2020

Board of Commissioners  
Thurston County  
Olympia, 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 County 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 County'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

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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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, County 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 Thurston County from January 1, 2019 through December 31, 2019.

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 County's use 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 year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Payroll – overtime, leave balance and accruals, and leave cash-outs
- Use of restricted funds – storm water expenditures
- Equipment rental and replacement – establishment of rates and billing accuracy
- Accounts payable – credit cards and electronic funds transfers
- Cash receipting – timeliness and completeness of deposits, voids and adjustments at the Community Planning and Economic Development Department and Auditor's Office
- Self-insurance for unemployment
- Jail – interlocal agreements, work release, and inmate accounts
- District Court – adjustments

- Compliance with state grants – Albany Street Stormwater Pond and Rural Arterial Program (RAP)
- Open public meetings – documentation of minutes, executive sessions and special meetings

## RELATED REPORTS

### **Financial**

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the County's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE COUNTY

Thurston County covers the southern region of Puget Sound, serving more than 281,700 residents. Its mission is to provide quality, timely and responsive service to its residents in the most cost-effective manner. These services include public safety (sheriff, judicial and emergency services), construction and maintenance of roads and bridges, sanitation facilities, health and social services, culture and recreation facilities and activities, water quality, flood control, planning and zoning services, and general administration services.

An elected, three-member Board of Commissioners is the primary policy-making body, exercising budgetary and financial control for the County. Additional independently elected officials, together with other departments, administer the County's daily operations as well as its 1,150 full-time employees. For fiscal year 2019, the County had a general fund operating expenditures budget of \$102.5 million.

### Contact information related to this report

Address:	Thurston County 2000 Lakeridge Drive S.W. Attn: Financial Services Olympia, WA 98502-6090
Contact:	Darren Bennett, Financial Services Manager
Telephone:	(360) 867-2253
Website:	<a href="http://www.co.thurston.wa.us">www.co.thurston.wa.us</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Thurston County 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>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(564) 999-0950
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>