



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Puget Sound Regional Council

For the period July 1, 2021 through June 30, 2022

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

March 16, 2023

Executive Board
Puget Sound Regional Council
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 Council 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 Council'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 value your cooperation during the audit.

Sincerely,

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, Council 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 Puget Sound Regional Council from July 1, 2021 through June 30, 2022.

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 Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Council'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 June 30, 2022, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Outreach programs – compliance with policy for community-based organizations and honorariums
- Tracking and monitoring of theft-sensitive assets, such as computers and other information technology (IT) equipment and related policies and procedures
- Accounts payable – new vendors and credit cards
- Open public meetings – compliance with minutes, meetings, and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

Financial

Our opinion on the Council's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Council'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 Council'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 COUNCIL

The Puget Sound Regional Council began operations on October 1, 1991. It is the third in a series of regional planning agencies that serve the Central Puget Sound region since 1957. The Council is the regional planning and decision-making body for growth and transportation issues in King, Kitsap, Pierce and Snohomish counties. It serves as a forum for cities, counties, ports, transit agencies, tribes and the state to work together on important regional growth and transportation issues.

Regular membership in the Council is open to all general-purpose local governments in the region. PSRC members include more than 80 entities, including King, Pierce, Snohomish, and Kitsap counties, as well as cities, towns, ports, state and local transportation agencies and tribal governments within the region.

A General Assembly and an Executive Board govern the Council. Board Members are appointed by their General Assembly constituents to represent the member governments. The Board meets monthly to conduct the ongoing business of the Council and to provide a forum for discussing regional issues. The Council has a biennial operating budget of approximately \$30.2 million, which is funded primarily through federal and state grants and membership dues.

Contact information related to this report

Address:	Puget Sound Regional Council 1011 Western Avenue Seattle, WA 98104-1035
Contact:	Lili Mayer, Finance Manager
Telephone:	(206) 971-3268
Website:	www.psrc.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Puget Sound Regional Council at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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