



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Edmonds College

For the period July 1, 2018 through June 30, 2022

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

April 20, 2023

Board of Trustees
Edmonds College
Lynnwood, 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 College 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 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 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, College 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.

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

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 Edmonds College from July 1, 2018 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 43.09.310, which requires the Office of the Washington State Auditor to examine the financial affairs of all state agencies. Our audit involved obtaining 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. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended June 30, 2022, 2021, 2020 and 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 - gross wages, leave balances and accruals, and leave cash outs
- Accounts payable - general disbursements, credit cards, travel expenditures, electronic funds transfers and employee reimbursements
- Use of restricted funds – high demand funds
- Procurement – public works
- 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 College's financial statements is provided in a separate report, which includes the College's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding financial statement preparation and review.

We also 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 Annual Comprehensive Financial Report (ACFR). The ACFR 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.

Our opinion on the Edmonds College's basic financial statements is included in the College's separate Comprehensive Annual Financial Report.

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.

Special investigations

The State Auditor's Office issued a report on a misappropriation of public funds at the College. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COLLEGE

Edmonds College is one of thirty public, community and technical college districts in the state of Washington that provides comprehensive, open-door academic programs, workforce education, basic skills, and community service educational programs. Edmonds College's mission is: Teaching | Learning | Community. The College confers two applied baccalaureate degrees (with approval to offer three more), as well as associate degrees, certificates, and high school diplomas. The College was established in 1967, and its mission is Teaching | Learning | Community.

The college's main campus is located in the center of the growing south Snohomish County communities of Edmonds, Lynnwood, Mountlake Terrace, Brier, Mill Creek, Mukilteo, and Woodway. The College also has operations at the Monroe Correctional Complex in Monroe, WA, the Washington Aerospace Training & Research Center in Everett, WA, and eight Head Start facilities throughout Snohomish County. The College serves approximately 14,000 students annually, and the College's annual operating budget is approximately \$60 million of which about 50 percent is funded by the state.

Contact information related to this report	
Address:	Edmonds College 20000 68th Avenue W. Lynnwood, WA 98036-5999
Contact:	James Mulik, Vice President for Finance, Grants, and Institutional Effectiveness
Telephone:	(425) 640-1610
Website:	www.edmonds.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Edmonds College 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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