



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

University of Washington

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

Published July 27, 2023

Report No. 1032938



Find out what's new at SAO
by scanning this code with
your smartphone's camera



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

July 27, 2023

Board of Regents
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 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

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.

TABLE OF CONTENTS

Audit Results..... 4

Related Reports 6

Information about the College 7

About the State Auditor's Office..... 8

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.

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 University of Washington 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 43.09.310, 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 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:

- Tuition and fee waivers
- Compliance with balance billing protection act
- Gifts and scholarships – compliance with gift criteria and eligibility at the School of Computer Science and Engineering
- Medical staffing contracts
- IT systems conversion – Workday finance
- Payroll – medical staff timekeeping
- Purchase cards – Center for AIDS & STD and Physics

- Cash receipting – timeliness and completeness of deposits, voids, and adjustments at CoMotion
- Cash handling – Center for AIDS & STD

RELATED REPORTS

Financial

We 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.

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 the most recent audit were published in a report issued by the Office of Financial Management in June 2023.

Performance audits

Initiative 900, approved by voters in 2005, gives the State Auditor's Office the authority to conduct independent performance audits of state and local government entities. Performance audits may include objective analysis on ways to improve program performance and operations, reduce costs and identify best practices.

We issued the separate University of Washington's Procurement Contracts: Approving, tracking and reporting performance audit report, which is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Special Investigations

During the current audit period, we issued a report on a misappropriation of public funds at the University. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COLLEGE

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 20 schools and colleges. 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 2022 was approximately \$8.8 billion. The primary revenue sources include tuition, grants, contracts, and medical services. The University employs approximately 41,600 faculty and staff members, and 3,900 graduate student employees. Enrollment for Autumn Quarter 2022 was 60,000 undergraduate, graduate, and professional students.

A highly rated research institution, the University generated \$1.67 billion in gift, grant, and contract revenue during fiscal year 2022. The University is one of the largest U.S. public educational institutions 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 several 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 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.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS Manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov