



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Office of the Governor

For the period July 1, 2019 through June 30, 2023

Published November 2, 2023

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Office of the Washington State Auditor Pat McCarthy

November 2, 2023

Jamila Thomas
Chief of Staff
Office of the Governor
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 Office 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 Office'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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TABLE OF CONTENTS

Audit Results..... 4

Related Reports 5

Information about the Office 6

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, Office 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, we noted certain matters related to purchase cards and local bank accounts that we communicated to Office management in a letter dated October 27, 2023. We appreciate the Office's commitment to resolving those matters.

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 Office of the Governor from July 1, 2019 through June 30, 2023.

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 Office'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, 2023, 2022, 2021 and 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Washington State Women's Commission & Office of Equity – general disbursements
- Payroll – gross wages and overtime
- Accounts payable – general disbursements, electronic funds transfers, employee reimbursements, and purchase cards
- Local fund bank accounts

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, agencies, departments and offices that are part of the state's reporting entity. The results of that audit are published in a report 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 that audit are published in a report issued by the Office of Financial Management in March of each year.

INFORMATION ABOUT THE OFFICE

The Governor is the chief executive officer of the state, responsible for the overall administration of the affairs of the state of Washington. The Office of the Governor includes staff members who assist the Governor with administrative support, communicating with the public and representing the Governor's policy recommendations to the Legislature. During the 2021-2023 biennium, the Office had 90.3 average annual FTEs. The operating budget for the Office was approximately \$35.5 million for the biennium. Additional activities of the Office include:

The Office of the Family and Children's Ombuds (OFCO) is responsible for investigating complaints against state agencies involving the protection of the children from abuse and neglect and/or the provision of child welfare services. OFCO researches issues facing child protective/welfare system and recommends changes for improvements.

The Office of the Education Ombuds was created for the purpose of providing information and investigative services to parents, students and others regarding their rights and responsibilities with respect to the state's public elementary and secondary education system and advocating on behalf of elementary and secondary students.

The Office of the Corrections Ombuds was created to reduce the likelihood of actions or inactions of DOC negatively impacting the health, safety, welfare, and rights of incarcerated individuals by intervening in individual cases and making public reports with recommendations for systemic improvement to the Governor, the Legislature, and agency officials.

The Office of Equity (OOE) was created to promote access to equitable opportunities and resources that reduce disparities and improve outcomes statewide across government. The OOE partners with other agencies and organizations to transform state government to make Washington a fully inclusive, multi-cultural, anti-racist state.

The Office of Independent Investigations (OII) was created to conduct thorough, transparent, and unbiased investigations of cases that involve police use of deadly force. OII is unique in the nation, being led by a civilian director and tasked with developing a plan to eventually include civilian investigators on its teams.

The Office of Regulatory Innovation & Assistance (ORIA) helps people navigate Washington's environmental and business regulatory systems. The ORIA collaborates with agencies and stakeholders on ways to improve regulatory systems for more effective services, including for small businesses.

Results Washington was established to improve state government by approaching complex issues through collaboration, performance management, continuous improvement and by partnering with agencies delivering state services to all Washingtonians.

The Washington State Women’s Commission was created to improve the life of every woman by ensuring equitable opportunities and removing systemic barriers through engagement, advocacy, and public policy, while being inclusive of our diverse populations.

The LGBTQ Commission works to improve the state’s interface with the lesbian, gay, bisexual, transgender, queer, two-spirit, and intersex community, identify the needs of its members, and ensuring that there is an effective means of advocating for LGBTQ equity in all aspects of state government.

The DCYF Oversight Board exists for the purpose of monitoring and ensuring that DCYF achieves the stated outcomes as intended by the legislation, and to ensure that the department complies with administrative acts, relevant statutes, rules, and policies pertaining to early learning, juvenile rehabilitation, juvenile justice, and children and family services.

Contact information related to this report	
Address:	Office of the Governor Legislative Bldg. P.O. Box 40002 Olympia, WA 98504-0002
Contact:	Kelly Wicker, Deputy Chief of Staff
Telephone:	(360) 902-4112
Website:	www.governor.wa.gov

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Office of the Governor 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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