



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Cascadia College

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

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

July 1, 2024

Board of Trustees
Cascadia College
Bothell, 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.

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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.

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 Cascadia 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:

- Tracking and monitoring of theft sensitive assets, such as computers, tools, equipment
- Accounts payable – general disbursements, credit cards, and vendor review
- CtcLink software conversion
- Payroll – leave cash outs and moonlight contract
- Accounts receivable – billing, adjustments, and collections
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Cascadia College July 1, 2018 through June 30, 2022

This schedule presents the status of findings reported in prior audit periods.

Audit Period: July 1, 2014 through June 30, 2018	Report Ref. No.: 1025620	Finding Ref. No.: 2018-001
Finding Caption: The College did not have adequate internal controls to ensure it complied with state requirements and its own policies regarding small and attractive assets.		
Background: The State Administrative and Accounting Manual (SAAM) requires state agencies to define non-capitalized assets they consider particularly vulnerable to loss as “small and attractive” and implement policies to protect and control the use of such assets. The SAAM also requires agencies to designate an inventory officer, perform risk assessments periodically, control issuance of tag numbers, and conduct a complete physical inventory of assets at least every two years to reconcile the inventory records to what is physically on hand. The College has a decentralized inventory process in which multiple groups maintain inventory lists. Departments at the College work with facilities management to surplus and dispose of small and attractive assets. In fiscal year 2018, College records showed 460 small and attractive assets totaling about \$621,000.		
Status of Corrective Action: (check one) <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Fully Corrected </div> <div> <input type="checkbox"/> Partially Corrected </div> <div> <input type="checkbox"/> Not Corrected </div> <div> <input type="checkbox"/> Finding is considered no longer valid </div> </div>		

Corrective Action Taken:

The College has taken steps to address the deficiencies outlined in the prior audit findings.

The tracking of inventory is performed by the Information Services Department through an asset management tool. Changes made to the asset list are reviewed by the Director of IS and the Manager of IS. The College updated the purchasing process to occur through ctcLink. Requisitions and purchases are reviewed and approved by the Director of IS. Once assets are received, they are tagged and tracked through the asset management tool. Lost, stolen or obsolete assets are noted in the asset management tool. After the most recent risk assessment, no significant assets were identified as being at risk or vulnerable to loss. The Director of IS periodically reviews the inventory to check for any discrepancies. The College is continuing to resolve the deficiency regarding the policy by updating the procedures to include thresholds and daily operations currently upheld by the IS Department. The College is also continuing to improve the process of completing physical inventory counts.

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.

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

Federal grant 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 COLLEGE

Cascadia College is one of thirty-four public community and technical college districts in the state of Washington, providing comprehensive, open-door academic programs, workforce education, basic skills and community service educational programs to approximately 2,647 students. The College offers bachelor's degree in applied science, associates degrees and certificates and high school diplomas. The College was established in 1994 and its mission is to transform student lives through integrated education in a learning-centered environment. The College's main campus is located in Bothell, Washington, a community of about 34,000 residents. The College shares its campus with the University of Washington-Bothell.

The College is governed by a five-member Board of Trustees appointed by the governor of the state with the consent of the state Senate. By statute, the Board of Trustees has full control of the College, except as otherwise provided by law. For fiscal year 2021-2022, the College's operating budget was approximately \$25.1 million.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Cascadia 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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