



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Eastern Washington University

For the period July 1, 2021 through June 30, 2023

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

August 19, 2024

Board of Trustees
Eastern Washington University
Cheney, 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 University 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 University'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, University 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 Eastern Washington University from July 1, 2021 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 University'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 and 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:

- Accounts payable – general disbursements, credit cards, electronic funds transfers
- Payroll – gross wages, leave balances and accruals
- Student tuition and fees – tuition waivers
- 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 University's financial statements is provided in a separate report, which includes the University's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

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, 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 Eastern Washington University's basic financial statements is included in the University's separate Annual Comprehensive 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.

INFORMATION ABOUT THE UNIVERSITY

Eastern Washington University is a regional, comprehensive, public university located in Cheney with programs also offered in Spokane, Bellevue, Everett and on-line.

Established in 1882 as the Benjamin P. Cheney Academy. The University was renamed Eastern Washington University and was designated as a regional university in 1977. The University's main campus is located on approximately 300 acres, approximately 150 of which are developed, approximately 20 miles southwest of the State's second largest city, Spokane. EWU Spokane is an integral part of Spokane's University District. Located just east of the downtown business core, the University District includes the Catalyst Building, Health Science Building and SIERR Building. The Catalyst Building is home to several programs including Addiction Studies, Business, Computer Science, Cybersecurity, Electrical Engineering, Health Informatics Technology & Management, Health Services Administration, Professional Accounting, Public Administration, Public Health, Social Work, and Urban and Regional Planning. The Health Science Building houses five state-of-the-art Eastern programs including Occupational Therapy, Physical Therapy, Dental Hygiene Regional Initiatives in Dental Education (RIDE) and Communication Sciences and Disorders. The SIERR Building houses the Nursing program and is part of the growing Health Peninsula in Spokane.

The University serves both a residential student population as well as utilizing a low-cost bus service from Spokane to accommodate the large number of regional commuter students. The University continues to expand in an array of online courses, programs and certificate offerings.

The University operates four residence halls and university apartments to provide housing and specialized programs for students. The University provides housing for approximately 1190 students in fall 2023. The University offers four Dining operated food service locations on campus including a convenience store. Students spending their first year in residence halls are required to have a resident meal plan.

As of fall 2023, the University employed approximately 414 full-time faculty, 415 classified staff, and 370 professional and administrative staff. The operating budget for fiscal years 2023 and 2022 were approximately \$309 million and \$320 million, respectively. The University also had a 2021-2023 biennial capital budget of approximately \$88 million.

The University's major revenue sources are state operating appropriations and student tuition and fees. An eight-member Board of Trustees, appointed by the Governor and confirmed by the Senate, is responsible for governing the multi-campus University as a single, comprehensive, legal entity under the administrative direction of the President.

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 Eastern Washington University 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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