



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Office of Superintendent of Public Instruction

For the period July 1, 2022 through June 30, 2024

Published October 21, 2024

Report No. 1035757



Scan to see another great way
we're helping advance
#GoodGovernment



Office of the Washington State Auditor Pat McCarthy

October 21, 2024

Chris Reykdal
Superintendent
Office of Superintendent of Public Instruction
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

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..... 5

Information about the Agency 6

About the State Auditor's Office..... 7

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.

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 Superintendent of Public Instruction from July 1, 2022 through June 30, 2024.

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, 2024 and 2023, 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, travel expenditures, credit cards, and fuel cards
- Compliance with state grants
- Payroll – gross wages and leave cashouts

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.

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 performance audit reports, Strategies to Improve Recruitment and Retention of Special Education Staff, and K-12 Education During and After the Pandemic: Opportunities to Learn from Changes Made in K-12 Educational Methods, which are available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Other reports

We issued a report on agreed-upon procedures performed at the Office. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE OFFICE

The Office of Superintendent of Public Instruction receives and distributes federal and state education funding, supervises school district budgeting, accounting and reporting, administers teacher certification and carries out educational reforms as directed by the Legislature and Congress. The Superintendent of Public Instruction is a statewide elected official who serves a four-year term.

The Office works closely with a number of other agencies in the administration of the state's K-12 education system. These include the 21-member Professional Educator Standards Board, which the Office is a member of and which is responsible for the preparation and certification of educators, nine regional educational service districts, which provide cooperative and information services such as accounting and grants management to local school districts, and the state's 295 school districts that deliver educational services to approximately one million students.

The Office is also one of 16 members of the State Board of Education, which establishes rules and guidelines in areas ranging from school system accountability and graduation requirements to school construction and school accreditation. The Office provides accounting services for the Professional Educator Standards Board; State Board of Education; Washington State Charter School Commission; and the Financial Education Public-Private Partnership.

The Office has approximately 420 employees and biennial operating budget appropriations of approximately \$33 billion, most of which is passed on to the state's school districts and regional educational service districts

Contact information related to this report

Address:	Office of Superintendent of Public Instruction Old Capital Bldg P.O. Box 47200 Olympia, WA 98504-7200
Contact:	Amy Harris, Director of Federal Fiscal Policy & Grants Management
Telephone:	360-688-0485
Website:	https://ospi.k12.wa.us/

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Office of Superintendent of Public Instruction 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