



Office of the Washington State Auditor

Pat McCarthy

Entrance Conference: Centralia College

January 8, 2019

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

Audit Scope

Based on our planning, we will perform the following audit:

Financial statement audit for July 1, 2017 through June 30, 2018

The purpose of our financial statement audit is to provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

Engagement Letter

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

Work of Other Auditors

A financial statement audit was performed by Dwyer Pemberton & Coulson PC of the Centralia College Foundation.

In accordance with professional standards, we considered the audit report and audit work performed by the other auditors in the planning of our audit. This includes communicating with the other auditors, evaluating the quality and results of the other auditor's work, and identifying areas that could affect our audit, including those in which we could leverage the work already performed.

Levels of Reporting

Findings

Findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

Within 30 days of the issue of an accountability audit finding, SAAM 55.10 requires state agencies to provide a corrective action plan to the OFM Accounting Division. Upon completion of corrective action related to a finding, state agencies are required to submit a certification, signed by the agency head or designee, that the audit resolution process is complete. It is recommended that agencies discuss the completion of corrective action with their assigned OFM Accounting Consultant prior to submitting the certification.

Management Letters

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

Important Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$33,250, plus travel expenses.

Expected Communications

During the course of the audit, we will communicate with Marla Miller, Director of Fiscal Services, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Marla Miller to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Loss Reporting

State agencies and local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at <http://portal.sao.wa.gov/saoportal/public.aspx/LossReport>.

Peer Reviews of the Washington State Auditor's Office

To ensure that our audits satisfy *Government Auditing Standards*, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at <http://www.sao.wa.gov/about/Pages/PeerReviews.aspx>. Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

Working Together to Improve Government

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

Audit Team Qualifications

Al Rose, Director of Legal Affairs – Al graduated from the University of Washington and from the University of Washington School of Law. After 4 years as a criminal defense lawyer, Al worked for the Pierce County Prosecuting Attorney. While at the office of the Prosecuting Attorney, Al worked in the Criminal Division for ten years and worked in the Civil Division for five years. For the last eight years, Al served as Director of Justice Service in the office of the Pierce County Executive; supervising the Superior Court Clerk's Office, Dept. of Assigned Counsel and the Medical Examiner and working with the courts, sheriff and prosecutor. Al served as the public records officer for the Pierce County's Executive office, and the Ethics Commission as well as advising the county public records ombudsperson. Phone: (360) 902-0372 or Al.Rose@sao.wa.gov

Sadie Armijo, CFE, Director of State Audit – Sadie has been with the Washington State Auditor's Office since 1998. She oversees most of the state audits our Office performs. Teams under her direction include the Financial Audit team, which conducts accountability audits, as well as the annual audit of the State of Washington Comprehensive Annual Financial Report and other financial statement audits. The Single Audit team performs accountability audits and the State of Washington Single Audit, which examines state agencies' compliance with federal grant requirements. The third team Sadie leads is the Whistleblower team, which investigates assertions of improper governmental actions at state agencies. She previously was an Assistant Director of Local Audit for five years. Phone (360) 902-0362 or Sadie.Armijo@sao.wa.gov

Troy Niemeyer, Assistant Director of State Audit – Troy has been with the Washington State Auditor's Office since 2006. As Assistant Director he assists with the statewide oversight and management of most audits of state government, including fraud and whistleblower investigations. He previously managed two local audit teams, along with the Whistleblower Program, and the Statewide Technology Audit Team (STAT). Troy is a member of the Institute of Internal Auditors and the e-Government committee for the National State Auditors Association. Phone: (360) 725-5363 Ext. 106 or Troy.Niemeyer@sao.wa.gov

Sarah Saavedra, Program/Audit Manager – Sarah joined SAO in 2008. Prior to coming to SAO, Sarah worked for a Certified Public Accounting (CPA) firm in Portland, Oregon for three years. At the CPA firm, she performed financial statement audits, reviews, and compilations of state and local governments to ensure compliance with GASB and audits of companies in accordance with FASB. She also supervised federal program or single audits. At the firm, she prepared tax returns for corporations, trusts, and non-profits during busy tax season. Sarah

graduated from Pacific University as the Oregon State Society of CPA's top accounting student and afterwards earned her Master's Degree in Business Administration as well as her CPA license. At SAO, Sarah has worked on the State of Washington's CAFR audit as well as audits of Universities, Counties, Cities, Pensions, Fire Districts, PUD's, School Districts, and State agencies. Phone: (360) 725-5377 or Sarah.Saavedra@sao.wa.gov

Scott Bills, Assistant Audit Manager – Scott has been with the Washington State Auditor's Office since 2005. Scott has over nine years of experience on local government audits, and during this time, he served as the Bid Law Specialist. Scott is currently in charge of the State's Comprehensive Annual Financial Report audit as well as other financial and accountability audits of state agencies and Higher Education Institutions. Phone: (360) 725-5381 or Scott.Bills@sao.wa.gov

Evva Kirkwood, Audit Lead – Evva has been an Assistant State Auditor with since June of 2015, she previously interned with the Auditor's Office. After earning her Bachelor's Degree in Accounting from the University of Washington, she started full time with the Auditor's Office. Evva has assisted on accountability audits of State Agencies such as the Department of Corrections, Department of Transportation, Department of Revenue, Department of Enterprise Services, and the CAFR audit Phone: (360) 725-5366 or Evva.Kirkwood@sao.wa.gov