



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Pierce County

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 the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2023 through December 31, 2023 – see draft report.

Audit Highlights

We would like to acknowledge the County's assistance and inter-departmental communication during the audit. The areas we reviewed were complex and required additional communication with multiple County departments.

Recommendations not included in the Audit Reports

Management Letters

Management letters communicate control deficiencies, noncompliance, or abuse with a less-than-material effect on the financial statements or other items significant to our audit objectives. Management letters are referenced, but not included, in the audit report. We noted certain matters that we are communicating in a letter to management related to the Clerk's Office.

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or noncompliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you by email when audit reports are released or posted to our website. You can sign up for this convenient service at <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations provided by management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$698,000 and actual audit costs will approximate that amount.

Your Next Scheduled Audit

Your next audit began in April 2025 and will cover the following general areas for the period of January 1, 2024 through December 31, 2024:

- Financial statement including Annual Comprehensive Financial Report opinion letter
- Federal programs
- Accountability for public resources

The estimated cost for the next audit based on current rates is \$642,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

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 feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally, this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation at the Office of the Washington State Auditor offers services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean process improvement, peer-to-peer networking, and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

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Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Accountability Audit Report

Pierce County

For the period January 1, 2023 through December 31, 2023

Published (Inserted by OS)

Report No. 1037450



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Office of the Washington State Auditor Pat McCarthy

Issue Date – (Inserted by OS)

County Executive and Council
Pierce County
Tacoma, 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 County 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 County'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 most of the areas we examined, County operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we identified areas where the County could make improvements. These recommendations are included with our report as a finding.

We also noted certain matters related to the Clerk's Office that we communicated to County management and the Council in a letter dated May 28, 2025. We appreciate the County'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 Pierce County from January 1, 2023 through December 31, 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 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the County'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 year ended December 31, 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:

- Office of the Clerk of the Superior Court – trust fund account activity, cash receipting, bank reconciliations, timeliness and completeness of deposits, voids and adjustments, daily and monthly audit report reviews, and unclaimed property reporting

- Use and collection of restricted funds – sales and use tax (Proposition No. 1) and emergency excise tax
- Compliance with interlocal funding agreement – Pierce County and South Sound 911
- Procurement – Coordinated Entry Systems (Homeless Management Information System, HMIS)
- Facilities Department – credit cards, travel expenditures, procurement, and general disbursements
- Sheriff's Department – credit cards, citations, and overtime pay
- Parks and Recreation Department – credit cards, procurement, and use of restricted funds (impact fees)
- Finance Department – credit cards and travel expenditures
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

January 1, 2023 through December 31, 2023

2023-001 The County did not comply with state law regarding the use of enhanced 911 excise tax revenues.

Background

Pierce County imposes and collects an enhanced 911 excise tax as authorized by RCW 82.14B.030. The amount imposed by the County cannot exceed \$0.70 per month for use of each switched access lines and radio access lines. The County remits the enhanced 911 excise tax to a separate government entity that serves as the public safety answering point (PSAP) for the Pierce County region. The PSAP is a call center that receives and handles the public's emergency calls for first responders (such as police, fire department, emergency medical services or ambulance). An interlocal agreement between the two parties outlines the amount of taxes the County remits to the PSAP.

Revenues from the enhanced 911 excise tax are restricted for the 911 emergency services communications system and its administrative and operational costs. Specifically, they must be used for “911 emergency communications systems” as defined in RCW 38.52.010(1) and RCW 82.14B.020(1) and for purposes restricted in RCW 82.14B.050. The enhanced 911 excise tax can only be used to support the caller when dialing or accessing 911 and reporting the emergency to the call taker at the PSAP. These revenues cannot be used to support dispatching or other services provided after the PSAP call taker answers the call.

Description of Condition

In June 2022, Pierce County used \$4.5 million of enhanced 911 excise tax revenues to install a distributed antenna system (DAS) at its County-City campus building. A DAS is intended to enhance the wireless signals and expand coverage and capacity; it is typically placed in large commercial buildings to improve cellular connections to users in the building and to reduce dropped calls and increase internet speeds.

We determined, in consultation with the 911 Coordination Office of the Washington Military Department, that the \$4.5 million of enhanced 911 excise tax revenue should not have been used to fund the DAS. A DAS does not meet the

definition of a 911 emergency communication system as it does not directly support the delivery of information between the caller dialing 911 and the call taker who answers the call at the PSAP.

Cause of Condition

The County's interpretation of what is considered allowable uses of the enhanced 911 excise tax did not align with the requirements of the Military State 911 Coordination Office and state law.

Effect of Condition

Diversion of the enhanced 911 excise tax revenue takes away necessary funding from 911 services and support that rely on these monies.

Further, any diversion could result in the local jurisdiction or the state being ineligible for future 911 federal grant funding.

Recommendation

We recommend the County repay the diverted enhanced 911 excise tax revenues and further work with the public safety answering point and Military State 911 Coordination Office to determine if any additional steps are necessary.

County's Response

The County respectfully disagrees with the Audit finding that the County did not comply with state law in its use of enhanced 911 excise tax revenues.

Background

Over the years and after meeting its obligations to invest locally in the enhanced 911 system, the County built up a surplus in its E-911 tax fund. That surplus was designated for repair, upgrade, and replacement of equipment related to the County's emergency services communication system.

On or about July 21, 2016, the County entered into an engineering and design contract with Motorola to design the Pierce County CCB DAS Communication System.

On or about October 28, 2021, the County executed a public works contract (SC-108676) with Motorola for the Pierce County CCB DAS Communication System in the amount of \$4,535,000. The audit finding's characterization of the purpose of

the system is inaccurate. The purpose of the project was to correct a countywide radio system communication “dead-zone” in and around the County-City Building (“CCB”). This “dead-zone” prevented effective radio traffic communication between regional PSAPs and first responders and communications between those first responders within the complex and those outside. The CCB complex houses the Pierce County Jail, Pierce County Superior Court, Pierce County District Court, City of Tacoma Municipal Court, County Executive (at the time), County Council (at the time), Pierce County Prosecuting Attorney, Pierce County Sheriff, Pierce County Clerk, and the staff of those agencies. It serves, and is visited by, thousands of Pierce County citizens conducting business with those agencies per year. While the DAS project does “improve cellular connections to users in the building and [...] reduce[es] dropped calls and increase[es] internet speeds” that is not its primary purpose but rather a beneficial secondary effect.

On or about November 23, 2021, the Pierce County Council passed Ordinance No. 2021-100s2, directing that \$4,551,390.00 from the 911 System Fund be transferred to the Radio Communications fund. The purpose of those funds was for capital projects including the Pierce County CCB DAS Communication System.

The funds in question were not monies that the County was obligated by interlocal agreement or contract to transfer to other agencies. The funds were retained surplus from years that predated those agreements. They were County E-911 funds.

Relevant Statutes and the County’s Interpretation

The Audit finding relies on a version of statutes in the Revised Code of Washington (“RCW”) that were not in effect at the time the funds were obligated by the County Council, as well as a statute that applied only to the State’s use of State E-911 funds. From July 1, 1981, until June 9, 2022, proceeds from the E-911 tax could only be used by the County for its “emergency services communication system”. From January 1, 2011, to June 9, 2022, the definition of “emergency services communication system” in RCW 82.14B.020 read,

“‘Emergency services communication system’ means a multicounty or countywide communications network, including an enhanced 911 emergency communications system, which provides rapid public access for coordinated dispatching of services, personnel, equipment, and facilities for police, fire, medical, or other emergency services.”

The changes to definitions in RCW 38.52.010 prior to June 9, 2022 roughly track those discussed above for 82.14B RCW, except that prior to June 9, 2022, those sections related to E-911 funds in 38.52 RCW only applied to the State’s use of the State’s E-911 funds, not the County’s.

It is the County's position that a plain reading of RCW 82.14B.020 and RCW 82.14B.050, in effect at the time the funds were obligated by the County Council, allowed for investment in an "emergency services communication system" that encompasses everything contained in a continuum from the citizen's call for service to the PSAP to the delivery of those services to the citizen. This includes investments that improve dispatch traffic between the PSAP and first responders, and communications between first responders as they respond to calls for service originating with the PSAP. The CCB DAS Communication System is part of the County's "countywide communications network" that facilitates coordinated dispatching of emergency services.

Authority and Interpretation by the 911 Coordination Office of the Washington State Military Department

The Audit finding also relies on an opinion of the 911 Coordination Office of the Washington State Military Department ("Department") which is inconsistent with prior stated positions and presumes interpretation authority that it did not have at the time the funds were obligated by the County Council. The Audit finding also fails to provide the analysis on which the Department's opinion is based so that the County can effectively respond.

Prior to the enactment of Substitute HB 1703 on June 9, 2022, the Department had no statutory authority to determine the eligible expenditures of County E-911 funds. It did have the authority to withhold state E-911 funds from Counties that did not use County E-911 funds for the priorities listed in WAC 118-66-050 and 060. And while the Department has long lobbied for more control over defining the use of E-911 funds by municipalities in the State, the legislature did not grant them that authority until June 9, 2022.

Even though the Department had no authority to define allowed expenditures at the time these funds were obligated, a review of its past statements is illustrative. Even though they have historically encouraged municipalities to use the funds on things that fell under the more restrictive State allowed expenditures listed in WAC 118-66-050 and 060, the Department had repeatedly recognized that the County's E-911 spending authority was much broader than that of the State's.

In 2016, responses from the Department were included by the Federal Communications Commission in a report to Congress, titled the "Eighth Annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges". The report noted that according to the Department,

...the state's Revised Code of Washington (RCW) and the Washington Administrative Code (WAC) when taken as a whole create a de facto line between

‘Call-taking’ and ‘Dispatch’” and that “state 911 dedicated funds are to be used only in support of call-taking functions (said differently, to get the 911 call from the call-maker to the call-taker) whereas “County 911 dedicated funds” are allowed to support specific “dispatching” functions.

Interestingly, though Washington did not self-identify as diverting funds in that 2016 report, the Public Safety and Homeland Security Bureau determined it had done so when the Washington state legislature diverted \$5,882,974 of 911 fees “in support of the Washington Military Department activities and programs” and \$134,211 of 911 fees “in support of the Washington State Patrol upgrades to the state criminal history system”. Despite that diversion finding, Washington state received Federal E-911 grant funds in 2019. According to the Department’s 2020 911 Cost Study Report, since 2001 the Washington state legislature has diverted almost \$33.5 million E-911 funds to purchases that do not meet the definitions of state E-911 allowed expenses in WAC 118-66-050. It is unclear from the record whether the Legislature or the Department ever paid back the money it diverted from the State’s E-911 fund.

In an email to County stakeholders on January 24, 2018, then Deputy State 911 Coordinator for Enterprise Systems, William A. Leneweaver, wrote that “In short, RCW 82.14B.020 and RCW 82.14B.050 together permit a fairly broad utilization of the county tax, while WAC 118-66 requires the counties to spend their local collection on those items on the list before being eligible for state assistance”.

In the Department’s “Fourteenth 911 Annual Fee Report, Response for Calendar Year 2021 to the Federal Communications Commission” titled “Annual Collection of Information Related to the Collection and Use of 911 and E-911 Fees by State and Other Jurisdictions”, Adam R. Wasserman, the current State 911 Coordinator, told the federal government that “Washington State counties are given certain latitude in both statute and administrative code for the use of the locally collected 911 funds...” and that “...Currently the Revised Code of Washington (RCW) does not adequately define an emergency communications system as it relates to 911[...] the state is proposing a revision to the RCW to be more clear”. Thereafter, the Department successfully lobbied the legislature for passage of the June 9, 2022 amendments to 82.14B RCW and 38.52 RCW.

These are only three examples that could be found in the short period of time allowed for this response. More examples may exist.

Conclusion

In conclusion, the County respectfully disagrees with the audit finding. As of January 2023, the County transfers 100% (minus administrative costs) of the E-

911 funds to the County's designated PSAP/Dispatch partner. Because the County no longer retains any past surplus E-911 funds and will not retain any future E-911 funds, the circumstances that gave rise to this finding will not occur in the future. The County will continue to monitor its ILA and contract partners for compliance with current law related to E-911 tax fund use.

Auditor's Remarks

We thank the County for its cooperation and assistance during the audit and have considered their response. We have evaluated the applicable criteria and disagree with their response. We re-affirm the finding and will review the County's corrective action during our next audit.

Applicable Laws and Regulations

RCW 38.52.010(1) – Emergency Management - Definitions

RCW 82.14B.020(1) – Counties – Tax on Telephone Access Line Use – Definitions

RCW 82.14B.030 – Counties – Tax on Telephone Access Line Use – County 911 excise tax on use of switched access lines and radio access lines authorized – State 911 excise tax – Amount

RCW 82.14B.050 – Counties – Tax on Telephone Access Line Use – Use of Proceeds

Budgeting, Accounting and Reporting System (BARS) manual, 3.1.3, Internal Control



Pierce County
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 930 Tacoma Ave South, Room 110
 Tacoma, Washington 98402-2177
 (253) 798-7455
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CONSTANCE R. WHITE
 Clerk of the Superior Court and
 Director of Arbitration

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Pierce County January 1, 2023 through December 31, 2023

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

Audit Period: January 1, 2022 – December 31, 2022	Report Ref. No.: 1034366	Finding Ref. No.: 2022-001
Finding Caption: The Clerk's Office does not have sufficient oversight or internal controls over its financial operations to safeguard public resources.		
Background: The Office of the Clerk of the Superior Court (Clerk's Office) collected \$14.8 million in revenue for fines, fees and restitution payments in 2022. The Clerk is responsible for developing policies and ensuring the office has adequate and effective controls in place over its operations. Our audit found the Clerk's Office had insufficient oversight and control deficiencies over its trust fund accounts and reconciliations, bank reconciliations and non-cash adjustments, Judicial Information System audit reports, and unclaimed property reports.		
Status of Corrective Action: (check one) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Fully Corrected </div> <div> <input checked="" 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: <i>The majority of areas noted in the finding have been fully corrected. The remaining areas in need of improvement are being addressed presently.</i>		

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County's financial statements. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the County's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

INFORMATION ABOUT THE COUNTY

Pierce County was incorporated in 1852 and operates under a Home Rule Charter adopted by voters in 1980. The County is organized under the executive-council form of government. Elected administrative officials include the County Executive (Chief Executive Officer), Prosecuting Attorney, Assessor-Treasurer, Auditor, Sheriff, Superior Court Judges and District Court Judges. The seven-member County Council is elected by district and is the policy-setting body of the County.

For 2022-2023, the County operated on a biennial budget of \$3 billion. The County's approximately 3,400 employees provide services including public safety, fire inspection, road construction and maintenance (including ferry service from Steilacoom to Ketron and Anderson Islands), flood control, parks and recreation, judicial administration, land-use planning and development, health and social services, sewer utility services and certain solid waste programs.

The County is the second most populated county in the state with 946,300 residents. The County is responsible for appointing board members to various boards including: Pierce County Housing Authority, Community Development Corporation, and the Economic Development Corporation. Additionally, the County has a joint venture with the Tacoma-Pierce County Health Department.

Contact information related to this report	
Contact:	Thomas Taylor, Internal Auditor
Telephone:	(253) 798-7577
Website:	www.co.pierce.wa.us/

Information current as of report publish date.

Audit history

You can find current and past audit reports for Pierce County at <https://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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- Toll-free Citizen Hotline:
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- Email:
webmaster@sao.wa.gov



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

May 28, 2025

County Executive and Council
Pierce County
Tacoma, Washington

Management Letter

This letter includes a summary of specific matters that we identified during our accountability audit for January 1, 2023 through December 31, 2023.

These matters are not included as findings in our public report, but we view them as important enough to warrant the attention of management and the governing body. This letter will be referenced in our report.

This letter is intended for the information and use of management and the governing body as recommendations to help strengthen the County's internal controls and compliance. This letter is not suitable for any other purpose since it was not prepared for general distribution. However, this letter is a matter of public record and its distribution is not limited.

Thank you for being a partner in government accountability. We look forward to reviewing the status of these matters during your next audit.

Sincerely,

Sandra Groshong, Audit Manager

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Management Letter

Pierce County

January 1, 2023 through December 31, 2023

Clerk of the Superior Court

The Office of the Superior Court (Clerk's Office) is responsible for developing policies and ensuring the office has adequate and effective controls in place over its operations. Our audit found the Clerk's Office lacks key controls over some of its accounting operations. Without these controls, the Clerk's Office cannot ensure it safeguards funds and increases its risk of misappropriation, loss of public assets and noncompliance.

We found the Clerk's Office needs to improve its oversight over its trust fund accounts, noncash adjustments, Blake Decision-related adjustments, and Judicial Information System (JIS) audit reports as follows.

Trust fund accounts

- We tested all 46 individual trust bank accounts the Clerk's Office held. We determined that three accounts totaling \$6,600 have become eligible for disbursement and the Clerk's Office must take additional action to ensure compliance. Further, it is unclear whether the Clerk's Office has attempted to contact the beneficiaries and reported the amounts as unclaimed property after sufficient unsuccessful attempts (contacting through first-class mail).
- One of the 46 individual trust bank accounts, totaling \$6,900, held by the Clerk's Office have unknown maturity dates and the County was unable to provide documentation to demonstrate that the account has become eligible for disbursement.

Noncash adjustments

The Clerk's Office does not have an independent review and approval process for new receivables, receipts for voids or batch exceptions, and support for other receivables adjustments. An independent review and approval process is necessary for ensuring staff have correctly established and adjusted receivables. We reviewed six court case adjustments and determined none of them had evidence of independent review and approval.

Blake Decision-related adjustments

On February 25, 2021, the Washington Supreme Court issued a decision declaring Washington's drug possession statute (RCW 69.50.4013(1)) unconstitutional and void. This ruling meant that there was no longer a state law making simple possession of drugs a crime in Washington state and making every previous conviction under this law invalid. The Washington Supreme Court ruled that the then-existing drug possession statute was unconstitutional because it criminalized

unknowing drug possession. The court ruled that the statute violated the due process clause of the constitution. This Supreme Court decision is known as the Blake Decision.

The Clerk's Office:

- Does not have an independent, review and approval process for new receivables and documentation to support other receivables adjustments. An independent review and approval process is also necessary for ensuring staff have correctly established and adjusted receivables. We determined all 29 court case adjustments we tested did not have evidence of required independent reviews.
- Did not record adjustments in a timely manner, within 21 days of the Accounting Section of the Clerk of the Superior Court receiving the court case information. We reviewed 34 negative receivables adjustments and determined the Clerk's Office did not process two cases until 22 days after it received them and did not process three cases until 144, 446, and 700 days after receiving them.

JIS audit reports

JIS is a court software and information system managed by the Washington State Administrative Office of the Courts under the direction of the chief justice of the state Supreme Court. The Clerk's Office must comply with the timelines for scheduling and retaining records that the JIS Online Manuals established. The manuals identify reports that are essential for internal controls and compliance, as well as the frequency with which the Clerk's Office should print them.

We reviewed the Clerk's Office's monthly and daily JIS audit reports and identified all 75 daily audit reports we tested did not have evidence showing that staff reviewed them.

We recommend the Clerk implement appropriate oversight and strengthen internal controls over trust fund accounts, noncash adjustments, Blake Decision-related adjustments, and JIS audit reports. Specifically, the Clerk should:

- Evaluate matured trust fund accounts to determine the appropriate disposition of these funds, including whether any of the funds should be reported and remitted as unclaimed property to the Department of Revenue
- Create and implement a written policy or procedure to establish the process for creating, reviewing, and approving noncash and Blake-related adjustments
- Ensure daily and monthly JIS audit reports are printed, reviewed, retained, and there is evidence of the reports' review

 (253) 798-7285 | FAX (253) 798-6699 PierceCountyWa.gov/Finance**Julie Demuth**
Director of Finance

May 28, 2025

Office of the Washington State Auditor
3200 Capitol Blvd
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Olympia, WA 98504-0031

To the Office of the Washington State Auditor:

We are providing this letter in connection with your accountability audit of Pierce County for the period from January 1, 2023, through December 31, 2023. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

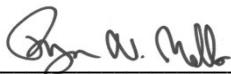
Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available all requested and relevant information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations, or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
 - d. Communications from regulatory agencies, government representatives, or others concerning possible noncompliance, deficiencies in internal control, or other matters that might concern the objectives of the audit.
 - e. Related party relationships and transactions.

- f. Results of our internal assessment of business risks and risks related to financial reporting, compliance, and fraud.
2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts, and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. Except as reported by the audit, we have complied with all material aspects of laws, regulations, contracts, and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and the safeguarding of public resources, including controls to prevent and detect fraud.
7. Except as reported by the audit, we have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.
10. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings, and we have provided you with all the information on the status of the follow-up on prior audit findings.
11. We are responsible for taking corrective action on audit findings and will develop a corrective action plan.



Ryan N. Mello
County Executive



Julie Demuth
Director of Finance