

Exit Conference

Pierce County

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May 28, 2025



Office of the
Washington
State Auditor
Pat McCarthy

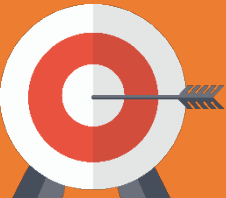
Results that Matter



Increased trust in government



Independent, transparent examinations



Improved efficiency and effectiveness of government



Pat McCarthy
State Auditor

Accountability Audit Results

January 1, 2023 through December 31, 2023



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.

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.

Accountability Audit Results



Using a risk-based audit approach, for the County, we examined the following areas during the period:

- 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
- 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
- Procurement – Coordinated Entry Systems (Homeless Management Information System, HMIS)

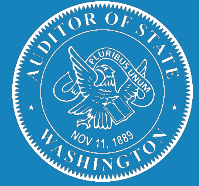
Accountability Audit Results



Accountability audit areas, continued:

- Facilities Department – credit cards, travel expenditures, procurement, and general disbursements
- Sheriff's Department – credit cards, citations, investigative funds, and overtime pay
- Parks and Recreation Department – credit cards, procurement, and use of restricted funds (impact fees)
- Finance Department – credit cards and travel expenditures
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements

Enhanced 911 Excise Tax – Finding



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

Please see pages 9-14 of your exit packet to view the details of this recommendation.



Summary Schedule of Prior Audit Findings



- Status of County's Corrective Action Taken: **Partially Corrected**
- Specific corrective actions taken are described in the schedule on page 15 of your packet.

Pierce County
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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
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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)
☐ Fully Corrected ☒ Partially Corrected ☐ Not Corrected ☐ Finding is considered no longer valid

Corrective Action Taken:
The majority of areas noted in the finding have been fully corrected. The remaining areas in need of improvement are being addressed presently.

Clerk of the Superior Court – Management Letter



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.

Please see pages
19-21 of your exit
packet to view the
details of this
recommendation.

Closing Remarks

- Audit costs are in alignment with our original estimate.
- Next audit: April 2025
 - Financial statement
 - January 1, 2024 through December 31, 2024
 - Federal programs
 - January 1, 2024 through December 31, 2024
 - Accountability for public resources
 - January 1, 2024 through December 31, 2024

An estimated cost for the next audit has been provided in our exit packet.





Report Publication

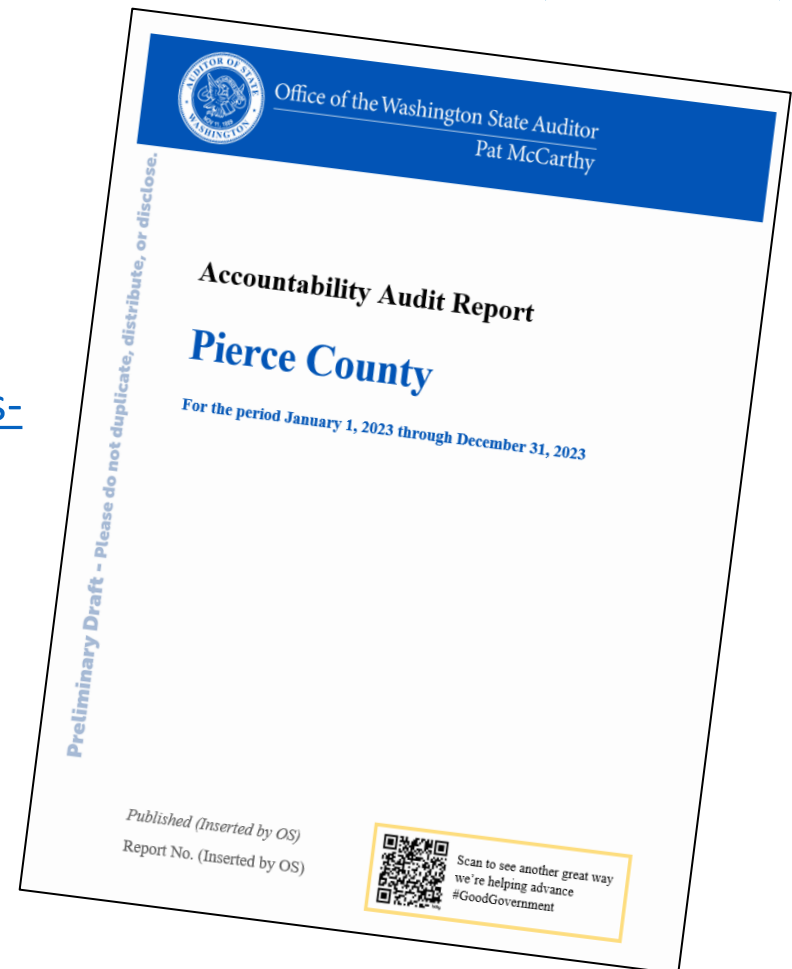
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Thank You!



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.

Questions?



Contact Sandra Groshong, Audit Manager

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