



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

**Local Government Advisory Committee (LGAC)**

**Meeting Minutes**

December 7, 2022

9:00am – 10:30am

Virtual Meeting – Microsoft Teams

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**Members in attendance:**

Brodersen, Bret (WFOA); Clark, Kathy (Housing); Corin, Shannon (WFOA); Gall, Sheila (AWC); Goodrich, Scott (WPPA); Hendren, Alisha (SCCFOA); Hunt, Heidi (WACO); Huynh, Phung (PSFOA); Kelly, Mitchell (SWFOA); Kinley, Leana (WCCMA); Knudson, Erin (WSTA); Lundeen, Ann (WACO); McMillan, Sandi (WASWD); Pascoe, Jerica (WFOA); Payne, Randy (WAPUDA); Rupe, Sara (OFM); Steffen, Philip (WPTA); Tellers, Stacie (SAO, Chair); Williams, Jason (ESD)

**Members absent:**

Excused: Mann, Michael (LEAP); vacant AWC position

Unexcused: Ishizuka, Paul (AWPHD); Oestreich, Brenda (WSAC); Pohle, Derek (CRAB); Robacker, Tanya (Fire)

**Other attendees:**

Booher, Debbie (Poulsbo), Brown, Jana (Transit); Gancel, Lisa (WCIF); Hill, Shawn (Grays Harbor County); Lowell, Eric (MSRC); Maule, Tim (Fire); Rogers, Danette (Transit); Schmidt, Cami (Transit); Streissguth, Kathy (Fire); Turntine, Cori (Conservation District); Zhang, Wenju (Bothell)

**SAO Staff in attendance:**

Browning, Roxann; Cowgill, Christie; Crouch, Olivia; Kostick, Niles; McCarthy, Pat; Montgomery, Ryan; Pagio, Kayley; Pennick, Deborah; Talbert, Rick; Vandenburg, Vivian; Watkins, Tina

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**Call to Order**

The Committee meeting began at 9:00am, held via Teams. The meeting was called to order by Stacie Tellers, LGAC Chair.

**Welcome and Attendance**

Stacie welcomed everyone. Attendance was taken via the Teams attendee list. Attendees calling in provided their names for the attendance list.

**Approval of Minutes from October 2022**



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The minutes previously distributed via email with a link to the SAO LGAC webpage where the draft minutes are posted were presented.

*Motion to approve the October 2022 minutes was made by Sandi McMillan and seconded by Ann Lundeen. The appointed committee members approved the minutes with no corrections or changes, unanimously.*

### **SAO Executive Update**

State Auditor Pat McCarthy provided an update on SAO activities. Pat thanked the committee and attendees for their attendance at today's meeting. SAO values the committee members' time and voices as we continue to listen to the concerns of local governments and carry the messages to the State and Federal levels. Pat discussed attendance at national association meetings, hearing from local governments assists SAO in advocating on the national level. SAO is currently working on the legislative session, seeking funding for continued performance audit and resource development work. Pat discussed in-person auditing as well as remote and hybrid options for audit clients. SAO audit teams will work with government's needs.

### **BARS Updates and Discussion**

Christie Cowgill, Assistant Audit Manager for the Local Government Support Team provided an overview of the final list of updates coming to BARS in December 2022 (see attached document). There was only one item added to the list since October, it is notated in italics. The update will begin on December 12 and should be completed by December 16. During this time several BARS pages in both manuals will be unavailable, Christie recommended to the group to download a PDF copy of BARS today.

Christie provided an overview of the preliminary BARS update list for December 2023 (see attached document). The BARS group provided an overview of the newly issued GASB Statements (see attached) and the potential impacts on both the GAAP and Cash manuals.

Committee member Ann Lundeen asked about the removal of BARS code 311.30 Sale of Tax Title property and if SAO removes this account from the BARS chart of accounts, would the County report the monies in regular property tax or another code. Christie discussed that SAO will be working with the Department of Revenue to gain an understanding of the law and will connect with the County Committee Members to discuss this BARS code further.

Committee member Shannon Corin, along with meeting attendees Jana Brown and Kathy Streissguth brought forth discussions on Compensated Absences (GASB 101) and the different types of leave banks and policies they have come across. Examples include emergency leave banks, military leave, cash out annually vs. payout upon separation, PFML, leave liability for another government. Christie notated the discussion and will connect with various attendees as SAO continues to research implementation plans for the new standard.



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Christie asked the committee about the need for training on asset retirement obligations, a follow-up from prior committee meetings. No requests for additional training were made.

Kayley Pagio, Assistant Audit Manager for the Local Government Support Team, provided an update on the annual filing system rewrite project. At this time SAO has scheduled to start programming in January 2023. Request was made to the committee for volunteer testers when the new system is ready.

The floor was opened for questions, comments, and concerns related to BARS. Nothing was brought forward.

### **SAO Resources**

Niles Kostick, Assistant Audit Manager for the Center for Government Innovation provided an update on the new and updated resources from SAO. Niles provided an overview of the new resources that have been added to the online resource library, including new fraud prevention resources. Niles highlighted the weekly digest emails, noting that due to the holiday season SAO will not send the digest the last two weeks of December.

Niles provided an overview of the new Accounts Receivable guide to assist governments with best practices, procedure information, and checklists. He requested volunteers for review of the new guide before SAO publishes for use. There are updated checklists coming for preparing cash basis and GAAP basis financial statement checklists.

SAO and MRSC continue to work together on resource projects regarding contracting and public meetings. The MRSC survey sent to local governments had a great response and this information will be used in the resource development.

Niles provided an update on FIT. In the next year, FIT will be updated for use on mobile devices. FIT usage has gone up and shows that users are continuing to look at local government data. SAO continues to analyze the reported data in the annual filing system and several data quality projects were done during the year. Reviewing reported negative ending balances, managerial fund use, internal service fund reporting, and use of suspense funds are a few projects completed this year.

Niles announced a new data story that was published on the Audit Connection Blog on December 6, 2022 regarding WSDOT funding received by local governments.

The Center for Government Innovation has hired a new lean specialist, Joanna. She will be taking on lean projects and trainings.

Questions or comments for the Center, email [center@sao.wa.gov](mailto:center@sao.wa.gov)



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**Open Discussion**

Stacie opened the floor for the discussion period.

Stacie proposed the 2023 meeting schedule. There is a possibility that a County conference conflicts with the June 7 date, if so, the June meeting would be moved to June 14, 2023. With no objections the meeting schedule is set for 2023, with the alternate June date if needed.

**Proposed Meeting Schedule for 2023**

Wednesday, June 7, 2023, 9:00am-11:00am	Virtual
Wednesday, October 4, 2023, 9:00am-10:30am	Virtual
Wednesday, December 6, 2023, 9:00am-11:00am	Virtual

No further discussion topics were brought forth.

Meeting ended at 10:16am.

DRAFT