



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Washington Association of County Officials

(WACO)

For the period January 1, 2020 through December 31, 2022

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

January 29, 2024

Board of Trustees
WACO
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 Association 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 Association'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

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Association 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 WACO from January 1, 2020 through December 31, 2022.

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 Association'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 December 31, 2022, 2021 and 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Payroll – gross wages and retroactive payments
- Accounts payable – general disbursements and electronic funds transfers
- Cash receipting – receipting of County reimbursements revenues
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

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 Evaluating Washington's Ballot Rejection Rates performance audit report, which is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE ASSOCIATION

In 1954, a group of county officials met informally and began discussing the formation of a collective organization to provide an enterprise approach to their dealings with state officials and legislature, and to provide training and communication. Such an organization, the Washington Association of County Officials (WACO), was incorporated in 1959 and was established in statute that same year. WACO is a non-partisan, non-political, non-profit organization consisting of Washington's elected county Assessors, Auditors, Clerks, Coroners, Prosecutors, Sheriffs and Treasurers and the comparable appointed officials in charter counties. The Association's primary mission remains unchanged during its 61 years after incorporation: To provide support, education, communication and assistance to its members so they can continue to provide the highest level of service to their taxpayers. The Association accomplishes its mission through many specific initiatives. The Association plays a significant role in representing its members and their offices in the Legislature. It drafts and supports bills that help members perform their statutory duties and oppose those that would frustrate the same. The Association educates the public to the roles and responsibilities of the elected officials' offices and supports communication between citizens and county government. The Association provides training opportunities to its members at value-priced, readily available, convenient and substantive education.

The Association is currently governed by a 19-member Board which directs the affairs and activities of the Association and formulates its policies. The Board appoints an Executive Director to oversee the Association's daily operations as well as manage its staff. The counties reimburse the costs of operating the Association. The Association's operating budget is was approximately \$938,864, \$896,258, and \$852,605 for fiscal years 2022, 2021, and 2020, respectively.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the WACO 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.

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