

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**Washington Counties Risk Pool**  
**Thurston County**

Audit Period  
October 1, 2002 through September 30, 2003

Report No. 66696

Issue Date  
June 4, 2004



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_ Brian Sonntag

# Audit Summary

## Washington Counties Risk Pool Thurston County October 1, 2002 through September 30, 2003

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the Washington Counties Risk Pool for the period October 1, 2002, through September 30, 2003.

We performed audit procedures to determine whether the Pool complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

### ***RESULTS***

In most areas, the Pool complied with state laws and regulations and its own policies and procedures. We noted certain issues we communicated to management.

### ***RELATED REPORTS***

Our opinion on the Pool's financial statements is provided in a separate report, which includes the Pool's financial statements.

### ***CLOSING REMARKS***

We thank Pool officials and personnel for their assistance and cooperation during the audit.

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# Description of the Pool

## Washington Counties Risk Pool Thurston County October 1, 2002 through September 30, 2003

### **ABOUT THE POOL**

The Washington Counties Risk Pool provides comprehensive and economical insurance coverage and risk management assistance to 28 member counties. An Executive Director, who reports to a nine-member Executive Committee, administers day-to-day operations. Executive Committee Members are elected to staggered, three-year terms. The Pool operates on a \$969,028 annual budget and has nine employees.

### **AUDIT HISTORY**

We audit the Pool annually. Management has been responsive to prior audit recommendations. Audit concerns are often discussed, addressed and resolved before completion of our audit. Because of its assertive style of problem solving, the Pool has had no findings since its inception in 1988.

### **ELECTED OFFICIALS**

These officials served during the audit period:

Board of Directors:

President

Secretary-Treasurer

Steve Lowe

Leon Long

Mike Shelton

Vyrle L. Hill

Ronald S. Zirkle

Rose Elway

Si A. Stephens

Craig Vejraska

David Goldsmith

### **APPOINTED OFFICIALS**

Executive Director

John Crawford

### **ADDRESS**

Pool

205 Clark Place Southwest  
Tumwater, WA 98501  
(360) 586-7447

# Audit Areas Examined

## Washington Counties Risk Pool Thurston County October 1, 2002 through September 30, 2003

In keeping with general auditing practices, we do not examine every portion of the Washington Counties Risk Pool's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Pool were examined during this audit period:

### **ACCOUNTABILITY FOR PUBLIC RESOURCES**

We evaluated the Pool's accountability in the following areas:

- Assessment billing/receipting
- Claims and administrative expenditures
- Payroll
- Travel expenditures

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Conflict of interest laws
- Open Public Meetings Act
- Budgeting requirements

### **FINANCIAL**

Our opinion on the Pool's financial statements is provided in a separate report. That report includes the Pool's financial statements and other required financial information. We examined the financial activity and balances of the Pool including:

- Cash and investments
- Revenues
- Expenditures
- Overall presentation of the financial statements