

Washington State Auditor's Office
Accountability Audit Report

Washington Counties Risk Pool
Thurston County

Report Date
January 20, 2006

Report No. 70188

Issue Date
February 24, 2006



Washington _____
State Auditor
_____ Brian Sonntag



**Washington State Auditor
Brian Sonntag**

February 24, 2006

Executive Committee
Washington Counties Risk Pool
Tumwater, Washington

Report on Accountability for Public Resources

Please find attached our report on the Washington Counties Risk Pool's accountability for public resources and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Pool's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

Table of Contents

**Washington Counties Risk Pool
Thurston County
January 20, 2006**

Audit Summary..... 1

Description of the Pool..... 2

Audit Areas Examined..... 4

Audit Summary

Washington Counties Risk Pool Thurston County January 20, 2006

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington Counties Risk Pool.

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

Areas examined during the audit were selected using financial transactions from October 1, 2004, through September 30, 2005.

RESULTS

The Pool complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

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.

Description of the Pool

Washington Counties Risk Pool Thurston County January 20, 2006

ABOUT THE POOL

The Washington Counties Risk Pool provides comprehensive, economical insurance coverage and risk management assistance to 28 member counties. An Executive Director, who reports to an 11-member Executive Committee, administers day-to-day operations. Executive Committee Members are elected to staggered, three-year terms. The Pool operates on a \$1 million 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:

Executive Committee:

President
Vice President

Rose Elway
Randy Watts
Jay Winter
Neva Corkrum (elected January 1, 2005)
Herb Baze (through December 31, 2004)
Leon Long
Craig Vejraska
Mike Shelton
Ronald Zirkle
Si Stephens
Steve Clem (elected July 22, 2004)
Steve Lowe
Dennis Hadaller (began January 1, 2005)
Toni Gilbert (began November 4, 2004)

APPOINTED OFFICIALS

Executive Director

Vyrle L. Hill

ADDRESS

Pool

205 Clark Place S.E.
Tumwater, WA 98501-4062
(360) 586-7447

Audit Areas Examined

Washington Counties Risk Pool Thurston County January 20, 2006

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:

- Member assessment billings and receivables
- Payroll
- General disbursements

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

- Ethics/conflict of interest laws
- Budgeting requirements
- Open Public Meetings Act

FINANCIAL AREAS

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