

Washington State Auditor's Office
Accountability Audit Report

Washington Counties Risk Pool
Thurston County

Report Date
February 2, 2007

Report No. 72186

Issue Date
February 23, 2007



Washington _____
State Auditor
_____ Brian Sonntag



**Washington State Auditor
Brian Sonntag**

February 23, 2007

Board of Directors
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 Risk 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
February 2, 2007**

Audit Summary..... 1
Description of the Risk Pool..... 2
Audit Areas Examined..... 3

Audit Summary

Washington Counties Risk Pool Thurston County February 2, 2007

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 Risk Pool complied with state laws and regulations and its own policies and procedures. We also examined Risk 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, 2005, through September 30, 2006.

RESULTS

The Risk 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 Risk Pool's financial statements is provided in a separate report, which includes the Risk Pool's financial statements.

CLOSING REMARKS

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

Description of the Risk Pool

Washington Counties Risk Pool Thurston County February 2, 2007

ABOUT THE RISK POOL

The Washington Counties Risk Pool provides comprehensive, economical insurance coverage and risk management assistance to 28 member counties. The Risk Pool is governed by a Board of Directors representing member counties. An appointed Executive Director administers day-to-day operations and reports to an 11-member Executive Committee and the Board. The Risk Pool operates on a \$1 million annual budget and has nine employees.

AUDIT HISTORY

We audit the Risk 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 Risk Pool has had no findings since its inception in 1988.

ELECTED OFFICIALS

These officials served during the audit period:

Executive Committee:
President
Secretary/Treasurer

Randall Watts, Whatcom County
Steve Clem, Douglas County
Keith Goehner, Chelan County
Toni Gilbert, Clallam County
Neva Corkrum, Franklin County
Rose Elway, Grays Harbor County
Mike Shelton, Island County
Ron Zirkle, Yakima County
Leon Long, Spokane County
Diane Oberquell, Thurston County
Jay Winter, Walla Walla County

APPOINTED OFFICIALS

Executive Director
Accounting/Auditing Officer

Vyrle Hill
Sue Colbo

ADDRESS

Risk Pool

2558 R.W. Johnson Rd. S.W.
Tumwater, WA 98512
(360) 292-4500

Audit Areas Examined

Washington Counties Risk Pool Thurston County February 2, 2007

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 Risk Pool were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

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

- Cash receipting and revenues
- Purchases and payments
- Solvency
- Insurance programs

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

- Open Public Meetings Act

FINANCIAL AREAS

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

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