Washington State Auditor's Office

Audit Report

Office of the State Actuary

Audit Period
July 1, 1997 through June 30, 1999

Report No. 6274

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Washington
State Auditor
Brian Sonntag

Audit Summary

Office of the State Actuary
July 1, 1997 through June 30, 1999

ABOUT THE AUDIT

This report contains the results of our two-year independent audit of the Office of the State Actuary for the period July 1, 1997, through June 30, 1999.

We performed audit procedures to determine whether the Office complied with applicable state laws and regulations. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

In the areas we tested, the Office complied with applicable state laws and regulations. We found no conditions significant enough to report as findings.

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Description of the Office

Office of the State Actuary
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ABOUT THE OFFICE

The Office of the State Actuary was established within the legislative branch in 1976. Its duties are to perform actuarial services for the state retirement systems and any other studies requested by the Legislature. The Office also provides staff assistance to the Joint Committee on Pension Policy. This committee appoints the State Actuary.

The Office employs 10 individuals and had a 1997-99 operating budget of approximately $2 million.

APPOINTED OFFICIALS

State Actuary	Gerald B. Allard

ADDRESS

Office	Suite 101 2420 Bristol Court Southwest P.O. Box 40914 Olympia, WA 98504-0914 (360) 753-9144

Audit Areas Examined

Office of the State Actuary
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In keeping with general auditing practices, we do not examine every portion of the Office of the State Actuary'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 Office were examined during this audit period:

LEGAL COMPLIANCE

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

Billing for Services
- Accuracy
- Billing rates

Leave
- Accrual and use
- Supported
- Approval
- Maximum balance allowable

Contracts
- Competitive solicitation
- Monitoring
- Evidence of receipt
- Approval

Telephones
- Long-distance charges
- Cellular phone charges

INTERNAL CONTROL

Internal controls are policies and procedures designed to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies for accounting and financial controls. We evaluated the Office's internal controls in the following areas:

Actuarial Assumptions
- Development
- Consistency

FINANCIAL AREAS

The results of the Office's financial activities are reflected in the state of Washington's general purpose financial statements. Those statements are audited separately with an audit opinion issued in the state's Comprehensive Annual Financial Report, which is published by the Office of Financial Management.

FEDERAL PROGRAMS

In accordance with the Single Audit Act Amendment of 1996, we annually audit major federal programs administered by the state of Washington. Rather than perform a single audit of each agency, we audit the state as a whole and publish the results in a separate statewide single audit report. The Office does not administer any federal programs.

Audit Overview

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AUDIT HISTORY

The Office of the State Actuary has not received an audit finding in the last several years. This report also has no findings.

CONCLUSIONS

In the areas we tested, the Office complied with applicable state laws and regulations. We found no conditions significant enough to report as findings.

We appreciate the Office's commitment to maintain strong internal controls. We thank the Office staff for its cooperation and assistance during the audit.