

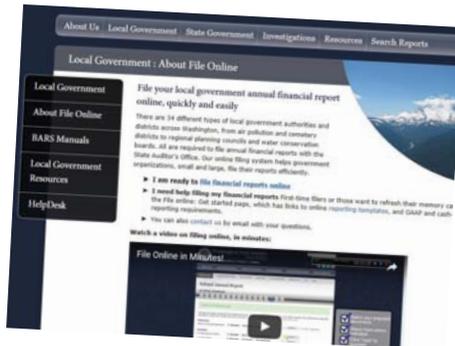


## Leap to it! May 29 is the filing deadline

The 2016 leap year brings a May 29 filing deadline for all local governments that operate on a December 31st year end. Most of the 1,800 governments in Washington are busy filing their annual reports, and a large majority have already submitted successfully. As if the leap year deadline wasn't already unusual, May 29 also falls on the Sunday of Memorial Day weekend.

Unfortunately, the state law which requires local governments to file a report does not mention an allowance for holidays or weekends. File as early as you can, and give yourself the break you need over that long weekend.

If you need any last-minute help, please reach out to us. Contact Duane Walz ([Duane.Walz@sao.wa.gov](mailto:Duane.Walz@sao.wa.gov)) or use our Client HelpDesk from your Online Services account.



## Thank you for your support

When the Legislature adjourned an overtime 2016 session on March 29, an additional \$10 million was diverted from the Performance Audit of Government Account. This money – added to the \$12.6 million diverted during the 2015 session – would have resulted in a 74 percent reduction to the account. This account funds our Local Government Performance Center, IT security performance audits of local governments, and performance audits of state agencies.

Thanks to the support of the many local governments and local government associations that submitted veto request letters, Governor Inslee vetoed the budget proviso and preserved these important functions for the current biennium. We are now ready to proceed with our planned schedule of activities. We couldn't be more grateful for your support!

## National award for FIT

The National State Auditors Association (NSAA) selected our Financial Intelligence Tool (FIT) to receive one of four Excellence in Accountability Awards for 2016, in the Special Project category.



*The Local Government Performance Center has already been acknowledged once by NSAA, receiving a special award in 2014 for its services to local governments.*

NSAA strives to encourage and provide opportunities for the exchange of information and ideas between auditors on the federal, state and local levels.



The Local Government Performance Center at the Washington State Auditor's Office developed FIT to help officials regularly assess and monitor their government's financial health. FIT is an online, interactive program that displays historical financial information in a trend format, with graphs and charts that allow for easy analysis. It is designed to help local government officials who need a sound understanding of their organization's finances, but who may not have the experience or confidence to analyze complex financial statements themselves.

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## Changes in audit billing follow your feedback

Our Office has made three changes to our audit billings based on your feedback.

First, we changed the billing rate for travel. We lowered our hourly rate for travel time to one-half of our hourly billing rate. Our April 2016 invoices, for March activity, reflected the new rate.

Second, we adjusted our previous travel billings. We retroactively applied the new rate to travel billings incurred since October 1, 2015, and issued refund warrants.

Third, we changed our invoice, after you told us it would be helpful to know the cost of each type of audit. In the past, the invoices for our audit billings listed the auditor name, hours worked, billing rate and the total charge. Invoices will now detail the hours worked by audit type, with a separate line item for travel charges.

If you have any questions or concerns related to these changes, please contact Kelly Collins, Director of Local Audit, at (360) 902-0091, or our Financial Services Manager, Janel Roper, at (360) 725-5600.

We value a respectful and positive relationship with every government we audit, and believe these changes reflect both the value of our Office staff and your government's need to budget and account for our audits.

## Coming Soon: Emails let you know when audit reports publish

The Auditor's Office is continuing its efforts to improve communication. As of April 2016, state agencies and local governments will receive an email notification two days before their audit report is due to be published. The advance notice allows organizations to be prepared when the report becomes a public document and is available to the media and other interested parties.

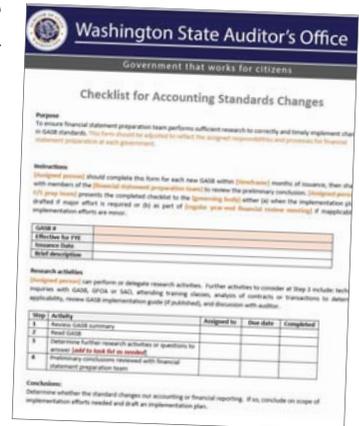
In a separate email, we also send an audit survey. We appreciate your feedback on our audit services. If you have any questions about the notification email or the survey, please contact your Audit Manager.

### **FIT wins NSAA award** – Continued from page 1

As a result of using FIT, local government users will be better able to understand and monitor their organizations' financial health, maintain effective oversight, and maximize the services they provide to citizens. To learn more about FIT for your government, see page 4 and visit our website at [www.sao.wa.gov/local/Pages/LGPC.aspx](http://www.sao.wa.gov/local/Pages/LGPC.aspx).

## New resource to implement GASB standards

The State Auditor's Office has created an easy-to-use template to help your financial statement preparation team meet new GASB standards. Using the new checklist can ensure they perform sufficient research to correctly and timely implement changes to the standards. This fully customizable form (in a Word document) should be adjusted to reflect the assigned responsibilities and processes for financial statement preparation at each government. You can find the checklist on our website at: [portal.sao.wa.gov/PerformanceCenter/Home/ViewFile?ResourceID=18505&ResourceFileID=5360](http://portal.sao.wa.gov/PerformanceCenter/Home/ViewFile?ResourceID=18505&ResourceFileID=5360)



Also, if you plan to attend the WFOA Annual Conference this fall, check out our session on Controls over Financial Statement Preparation - What we can do better! A synopsis of what you'll learn is already available on the WFOA Sessions page at: [www.wfoa.org/resources/sessions/](http://www.wfoa.org/resources/sessions/)

## Kitsap Fire District No. 18 receives Stewardship Award

On March 9, 2016, the State Auditor's Office presented a State Auditor Stewardship Award to the Kitsap County Fire District No.18, the first fire district in the state to receive one. The District was recognized for its dedication to making government work better.



The District was particularly recognized for its efforts to reach out to people in the community by forming a Citizen Review Board. The review board advises the District during the budgeting process and helps gather information and provide expert guidance in the areas of debt refinancing, operations improvement and District spending. By involving the Citizen Review Board, the District saved money when it issued debt and has been able to streamline operations, making the District more effective and efficient.



## Two State Auditor Stewardship Awards presented in May

### *OSPI recognized for ongoing commitment and collaboration*

On May 12, the State Auditor's Office presented a State Auditor Stewardship Award to the Office of Superintendent of Public Instruction. OSPI was recognized for its ongoing commitment to relevant and accurate financial reporting guidance for school districts through the diligence of staff members and their efforts to coordinate with our Office.

In particular, Paul Stone, Supervisor of School District and Educational Service District Accounting, was recognized for his leadership, professionalism and collaboration, demonstrated by his commitment to improving the accuracy and timeliness of accounting and reporting guidance for school districts and ESDs in Washington.



*Pictured above, left to right: TJ Kelly, Director of School Apportionment and Financial Services, Jan Jutte, Deputy State Auditor, and Paul Stone, Supervisor of School District and ESD Accounting.*

### *Ellensburg School District recognized for culture of strong internal controls*

On May 18, we presented a State Auditor Stewardship Award to the Ellensburg School District, the first school district in the state to receive one.

The District was recognized for its culture of strong internal controls, which has been cultivated by management's focus on keeping an updated understanding of applicable laws and regulations. In particular, Farley Walker, the District's Business Manager, has demonstrated outstanding leadership by creating a culture that promotes accountability for public resources.



*Pictured above, left to right: Farley Walker, Business Manager, Mark Rapozo, Deputy Director of Local Audit, Paul Farris, Superintendent.*

## State Auditor's Office to release FIT for GAAP users

In July 2015, the Washington State Auditor's Office released the Financial Intelligence Tool (FIT) for local governments that report under the BARS cash basis of accounting. Coming soon in June, FIT will also be available to most entities that report under GAAP. (The exceptions are housing authorities, risk pools and government associations.)

FIT combines financial information reported annually to the State Auditor's Office with other data sources to create a variety of analysis features to:

- Provide standard, transparent, financial reports based on current and historical data
- Offer understandable, and easily accessible financial analyses
- Guide financial decision makers of any experience level

Learn more about FIT by visiting our website at [www.sao.wa.gov/local/Pages/LGPC.aspx](http://www.sao.wa.gov/local/Pages/LGPC.aspx)

### **Tips for GAAP users**

If you report using GAAP, here's what you need to know about this first release of FIT for GAAP:

1. Initially, only your 2015 data will be available on your screen.
2. Instructions within the FIT application will tell you how to request 2013 and 2014 data.
3. Once we assemble your 2013 and 2014 data, you'll be asked to complete a verification step.
4. Once verified, we will upload this data to FIT and you will have three years of data available to study.

Adding earlier years of data isn't mandatory, but it can be helpful. The best time to review earlier data is in July, after the CAFR deadline but before budget season is in full swing – a perfect time to analyze your fiscal health!

### *Short video helps newly elected officials learn about our Office*

As a newly elected official or recently hired local government employee, you may have questions regarding audits by our Office. This 15-minute, online presentation guides you through what you can expect during your audit, and has an overview of local government audit services and resources. View it on our website at [portal.sao.wa.gov/trainingfiles/An\\_Overview\\_of\\_Audit\\_Services/story.html](http://portal.sao.wa.gov/trainingfiles/An_Overview_of_Audit_Services/story.html).

