



Office of the Washington State Auditor

Pat McCarthy

Washington Public Ports Association

Small Ports Seminar

October 18, 2018

Deena Garza, Program Manager
Scott Hylton, Subject Matter Expert

Agenda

How can we help?

- Office overview
 - Program Manager and Subject Matter Expert
- Common challenges and audit focus
- Resources and guidance
- Coming attractions



Office Overview

OFFICE OVERVIEW

Vision: Increased trust in government

- ❑ Onsite audit processes
- ❑ Development of resources related to emerging issues
- ❑ Reports published on our website



2,200 audits in 2017

Accountability audits



Financial audits



Federal audits



113 audits — Other

61 audits — Special engagements

31 audits — Whistleblower
— 12 found reasonable evidence of improper action by state workers.

12 audits — Fraud
• 74 investigations
• 12 met the standard for a full report

6 audits — Performance audits
The Office is currently working on 16 performance audits.



Port audits in 2017

Accountability audits



Financial audits



Federal audits



Assessment



CPA



CAFR



Program Manager and Subject Matter Expert roles

- Internal Guidance to get auditors up to speed
 - Planning guides
 - Know Before You Go! training series
 - Auditor Helpdesk
- Level of Reporting determinations
- Working with WPPA
- Point of contact for local Ports
- Client Helpdesk



Common Challenges and Audit Focus

Audit function and process

Three main types of audits for ports

- Financial Statement – Standards based
- Federal Single Audits – Standards based
- Accountability for public resources – Risk based



What auditors might emphasize in coming audits

Additional
Compensation/
Bonuses/
Incentives

Awarding Bids
through Purchasing
Cooperatives

Marina, Airport,
Marine Terminal
Revenues

Leased Property
Revenues

Safeguarding Theft
Sensitive Items

Cybersecurity

2017-2018 audit exceptions

12 Findings

Cash
Receipting

Financial
Statement
Preparation

Additional
compensation

Federal Wage
Rate
Requirements

Federal
Suspension &
Debarment

2017-2018 audit exceptions

6 Management Letters

Cash
Receipting

Annual Report
Filing

Financial
Statement
Preparation

Theft Sensitive
Assets

Be proactive

*Dig the well before
you are thirsty.
-Chinese Proverb*

TRANSLATION

*Ask the
question
before the
auditor does*

Common challenges for small ports

- Limitations on internal controls due to staffing
- Executives and Commissioners take on more roles
- Sporadic activity makes consistency difficult



How can you make the audit smoother?

- Write out your processes
 - Accounts payable
 - Payroll
 - Billing and receipting
 - Bank reconciliations
 - Capital assets
 - Year end statement preparation (checklist)
- Always sign and date documents, especially review
- Use the resources provided by our office



Resources and Guidance

How to find the Digital Audit Connection



The screenshot shows the website for the Office of the Washington State Auditor, Pat McCarthy. The header includes the state seal, the office name, and a search bar. A navigation menu contains links for 'About Us', 'Local Government', 'State Government', 'Investigations', 'Resources', and 'Search Reports'. Two orange buttons are visible: 'Online Services' and 'Audit Connection', with the latter circled in yellow. Below the navigation is a featured article titled 'The Benton-Franklin Health District gets Lean' with a photo of the health district building. A sidebar on the left has a pixelated mouse cursor pointing to it, with a menu containing 'Local Government', 'State Government', 'Investigations', and 'Resources'. The main content area below the article is titled 'Resources' and contains sections for 'Public records requests' and 'Local Government Resources'.

Office of the Washington State Auditor
Pat McCarthy

Search

Online Services
Audit Connection

About Us | Local Government | State Government | Investigations | Resources | Search Reports

The Benton-Franklin Health District gets Lean

When the Benton-Franklin Health District realized they needed help improving their immunization program for both their internal staff and the public, they contacted our Performance Center for assistance. Learn more about their Lean transformation facilitated by our customized Lean approach to solving difficult process problems and watch their amazing story on our [Digital Audit Connection](#).

1 2 3 4 5

Resources

Public records requests

The work conducted during our audits becomes part of the public record. If information you are interested in doesn't appear in the report published after the audit is completed, you may request to see additional materials.

Local Government Resources

This page guides you to information specific to local government needs, such as the Local Government Financial Reporting System (LGFRS), help with online filing, Lean training and resources, the new Financial Intelligence Tool (FIT), technical assistance, best practices information, and more.

Local Government
State Government
Investigations
Resources

Digital Audit Connection



Helping local governments avoid costly cybersecurity breaches

SEPTEMBER 11, 2018

Our Office is dedicated to helping local and state governments



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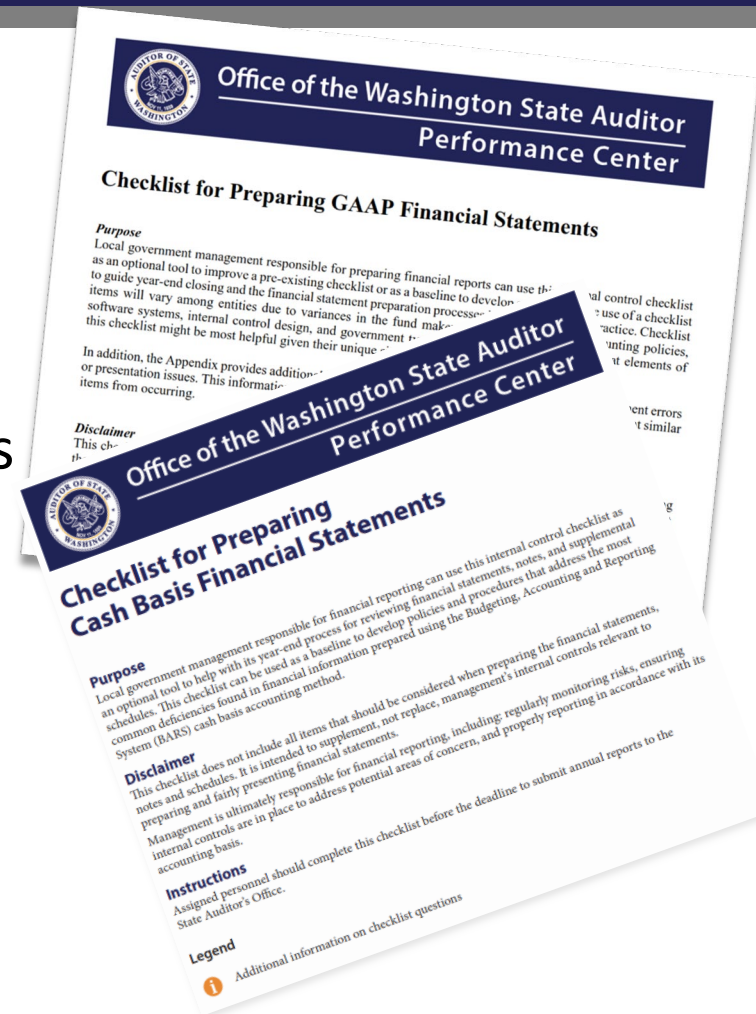
Enter your email address

Follow

 Follow ...

Financial preparation checklists

- Best Practice - Using a checklist to guide year-end closing and the financial statement preparation process
- Appendix for GAAP checklist provides additional information about common financial statement errors
- Can also help local governments develop policies and procedures

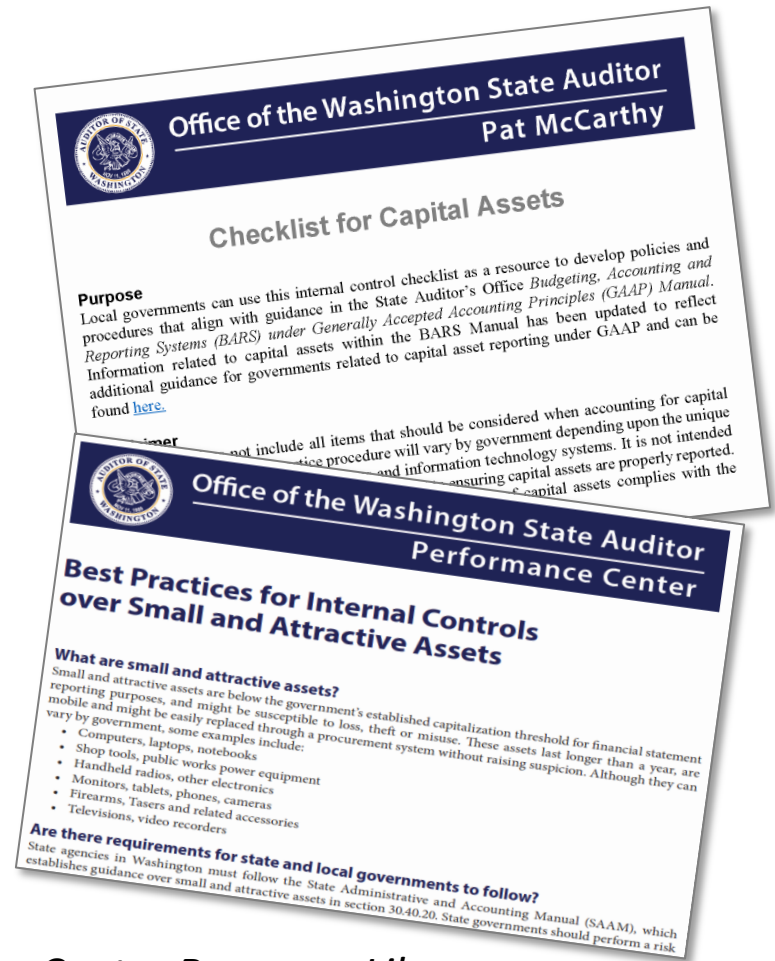


Available on our website's Performance Center Resource Library

<http://portal.sao.wa.gov/PerformanceCenter>

Other useful resources

- Updated capital assets guidance in the BARS Manual for governments reporting under GAAP.
 - Most topics updated and re-written
 - Internal control guidance expanded
- Checklist for managing capital assets
 - Provides information about reporting best practices. Can also help local governments develop policies and procedures
- Accountability best practices for Small and Attractive/Theft Sensitive



Available on our website's Performance Center Resource Library

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Coming Attractions

A red carpet is laid out on a dark surface, flanked by gold stanchions with red velvet ropes. The scene is brightly lit, creating a formal and high-profile atmosphere.

Coming attractions

Introducing **Tracker**, an online audit status tool that shows you where audit issues stand at any given moment

- Be better prepared for the next audit – documents on prior audit issues are at your fingertips.
- Smooth transitions in your government – if staff leave or duties change, new employees have easy, one-stop access to prior audit issues and corrective action plans.
- Show the public and elected officials that an issue has been resolved – and get the credit for addressing it quickly.

A red carpet leads from the top center towards the bottom of the frame. On either side of the carpet are gold stanchions with red velvet ropes. A blue banner with a white border is positioned across the middle of the image, containing the text 'Coming attractions' in white. Below the banner, the carpet continues, and the stanchions are visible in the background.

Coming attractions

Introducing **the new BARS**, which will be easier to navigate than ever before

- Whether you're GAAP or cash, the Manual meant for you will be online in its entirety, fully searchable and downloadable. No more PDFs.
- Updated content will be clearly marked and dated.
- With the new MyBARS feature, a quick login will allow users to bookmark sections and pages, and make notes.

BARS Roundtable

2018 BARS Roundtables: Save the date

Schedule of confirmed cities and dates

Date	Time	City	Location
October 9	9 a.m.-noon	Wenatchee	Confluence Technology Center (Teaway River Room) – 285 Technology Center Way #102
October 10	9 a.m.-noon	Yakima	Yakima Health District – 1210 Ahtanum Ridge Drive
October 11	9 a.m.-noon	Vancouver	Camas Public Library – 625 N.E. 4th Ave.
October 15	9 a.m.-noon	Tacoma	Orcas Room – 949 Market St.
October 17	9 a.m.-noon	Pullman	City of Pullman Pioneer Center (Barley Room) – 240 S.E. Dexter St.
October 18	1-4 p.m.	Spokane	Shadle Library – 2111 W. Wellesley Ave.
October 22	9 a.m.-noon	Olympia	Auditor’s Office, Sunset Building – 3200 Capitol Blvd. S.E.
October 30	9 a.m.-noon	Bellingham	Fire Station #21 – 4518 Cable St.
October 31	9 a.m.-noon	Marysville	Fire Station #62 (Shoultes) – 10701 Shoultes Road
November 1	9 a.m.-noon	Redmond	Redmond Community Center at Marymoor Village – 6505 176th Ave. N.E.
November 6	9 a.m.-noon	Port Orchard	Eagle’s Nest Community Center – 1195 N.W. Fairgrounds Road
November 8	1-4 p.m.	Pasco	Mid-Columbia Library – 1320 W. Hopkins St.
November 14	1-4 p.m.	Renton	Renton Highlands Library – 2801 NE 10th St.

Questions



Auditor's Office contacts

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