



Exit Conference: Snohomish Health District

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Financial statement and federal grant compliance audits for January 1, 2020 through December 31, 2020 – see draft report.
- Accountability audit for January 1, 2020 through December 31, 2020 - see draft report.

Audit Highlights

We would like to thank District staff for being accommodating and providing prompt responses to our audit questions. We especially would like to thank Tracey Kellogg, Finance Manager, for her dedication throughout the audit and Sara Centanni, Finance Manager, for her assistance in ensuring the audit was able to conclude timely.

Recommendations not included in the Audit Reports

Management Letters

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other items significant to our audit objectives. Management letters are referenced, but not included, in the audit report. We noted certain matters that we are communicating in a letter to management related to the safeguarding the reporting of capital assets.

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Status of Prior Management Letter items

Brief Description	Status
Financial Statement Preparation	Unresolved

Communications required by audit standards

In relation to our financial statement audit report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are summarized on the attached schedule. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations received from management.

Audit Cost

In the entrance conference documents, we estimated the cost of the audit to be \$65,500. We are pleased to report that actual audit costs are expected to come in under budget by approximately \$10,000 due to savings in travel costs and only being required to audit one federal grant program.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in summer 2022 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit based on current rates is \$63,000 plus travel expenses of about \$4,500. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

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Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6411 Tina.Watkins@sao.wa.gov

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Angelique Thompson, Audit Lead, (425) 948-6875, Angelique.Thompson@sao.wa.gov

Attachment: List of Uncorrected Items in the 2020 Financial Statements

Description	Statement/Schedule	Opinion Unit
<u>MD&A:</u> The District removed the fiduciary fund statements when it was determined that flexible benefit plans do not qualify as fiduciary activity under GASB 84. As a result the references to fiduciary funds in the MD&A should be removed.	MD&A	N/A
<u>Note 1- Summary of Significant Accounting Policies:</u> The District removed the fiduciary fund statements when it was determined that flexible benefit plans do not qualify as fiduciary activity under GASB 84. As a result the references to fiduciary funds should be removed.	Notes to the Financial Statements	N/A
<u>Note 7- OPEB:</u> Does not include statement that no assets are accumulated in a trust.	Notes to the Financial Statements	N/A
<u>Note 11- Related Party Transactions:</u> Related party note disclosure does not foot. Total amount was not updated from prior year and should be \$2,738,543.	Notes to the Financial Statements	N/A
<u>Capital Assets Balance:</u> During our testing of capital assets we were unable to confirm the existence of 21/40 assets. Assets which were not identified and had a book value at year-end are considered a misstatement as we were unable to confirm they existed at year-end. The aggregate book value of the 21 unidentifiable assets was \$592 (only 3/21 has remaining value). We allocated the misstatement to each balance in our testing population and calculated a known + likely misstatement of \$1,579 for "Buildings, net" and \$2,726 for "Other, net". Aggregate misstatement for governmental activities: \$4,305	Statement of Net Position	Governmental Activities
<u>Public Health Expenses Balance:</u> \$2,962- Skagit County Public Health 20017 Charges- We reviewed the support for this transaction and confirmed it was for contract services for the month of August 2019 and was not appropriately accrued. \$2,187- Goldfinch Brothers Replace- The District was unable to provide us with supporting documentation for this transaction. The result of these exceptions is a \$5,150 known misstatement and a \$29,053 known + likely misstatement.	Statement of Activities	Governmental Activities
<u>Other Services & Charges Balance:</u> \$2,962- Skagit County Public Health 20017 Charges- We reviewed the support for this transaction and confirmed it was for contract services for the month of August 2019 and was not appropriately accrued. \$2,187- Goldfinch Brothers Replace- The District was unable to provide us with supporting documentation for this transaction. The result of these exceptions is a \$5,150 known misstatement and a \$29,053 known + likely misstatement.	Statement of Revenues, Expenditures, and Changes in Fund Balances	General Fund
<u>Statement of Net Position:</u> The deferred outflows for pension items reference Note 4. This should be updated to Note 6.	Statement of Net Position	N/A



Office of the Washington State Auditor
Pat McCarthy

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Financial Statements and Federal Single Audit Report

Snohomish Health District

For the period January 1, 2020 through December 31, 2020

Published (Inserted by OS)

Report No. (Inserted by OS)



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Office of the Washington State Auditor Pat McCarthy

Issue Date – (Inserted by OS)

Board of Health
Snohomish Health District
Everett, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Snohomish Health District's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

Signature Here (Please do not remove this line)

Pat McCarthy, State Auditor

Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

S-1

Snohomish Health District January 1, 2020 through December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Snohomish Health District are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of basic (single opinion unit) and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the District’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
21.019	COVID-19 - Coronavirus Relief Fund

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The District qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

See Finding 2020-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Snohomish Health District

January 1, 2020 through December 31, 2020

2020-001 The District lacked adequate internal controls for ensuring accurate financial reporting on the Schedule of Expenditures of Federal Awards.

Background

District management is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance regarding the reliability of financial reporting. These controls should ensure the District accurately reports its financial activity. The District prepares its financial statements in accordance with generally accepted accounting principles (GAAP) and prepares a Schedule of Expenditures of Federal Awards (SEFA) as part of its annual financial report. Uniform Guidance requires grant recipients to report all federal program expenditures on the SEFA.

Description of Condition

The District's internal controls over financial reporting on the SEFA were insufficient for ensuring accurate reporting. During audit planning, we discovered that the District did not include all of the federal funds it expended during the year. Specifically, the District did not include grant expenditures related to the Coronavirus Relief Fund (CRF) (CFDA 21.019).

We consider this deficiency in internal controls over financial reporting to be a material weakness

Cause of Condition

Since the Washington State Department of Health submits most of the District's federal award information directly to the District's Finance Department, the District's individual departments do not regularly provide information about federal grant expenditures. The CRF was a new type of grant for the District, and it lacked a process for ensuring that all of its departments submitted relevant information about CRF expenditures to the Finance Department.

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Further, the District did not take the time to verify the accuracy and completeness of the information about federal expenditures when it prepared the SEFA. Therefore, the District's review process over preparing the SEFA was insufficient for detecting and correcting errors.

Effect of Condition

The District did not report \$5,648,232 in expenditures related to the CRF grant on the SEFA. The omitted dollar amount is significant and required additional audit work to ensure compliance with federal requirements.

Inaccurate reporting of federal expenditures can mean more time is needed for an audit, which also increases its cost. An unexpected audit delay can mean a missed reporting deadline, which can jeopardize future federal funding.

Recommendation

We recommend the District strengthen its internal controls over preparing the SEFA to ensure it is prepared in accordance with Uniform Guidance. Specifically, we recommend the District:

- Develop a process for ensuring individual departments submit all relevant information about federal expenditures to the Finance Department.
- Provide training to all employees responsible for submitting federal expenditure information to ensure they have sufficient knowledge of reporting requirements.

District's Response

The District would like thank the auditors for their comments and guidance. This finding was the result of a need for enhanced training for District staff regarding SEFA reporting. The grantor-prepared grant coversheet stated that the District was a vendor and not a subcontractor. However, after further review of the signed agreement, it was noted that the coversheet prepared by the grantor was incorrect, and the District was actually a subrecipient, requiring reporting on the SEFA. Despite the SEFA being submitted incorrectly, the funds were properly accounted for once identified, and the SEFA was promptly corrected to include the grant. Measures are now in place to ensure that staff rely on the executed documents for award information, and not the grantor-prepared supplementary documentation.

Auditor's Remarks

We appreciate the steps the District has taken to resolve these issues. We will review the condition during our next audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

I-1

Snohomish Health District January 1, 2020 through December 31, 2020

Board of Health
Snohomish Health District
Everett, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of basic (single opinion unit) and the aggregate remaining fund information of the Snohomish Health District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 27, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent,

or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 2020-001 to be material weaknesses.

We also noted certain matters that we have reported to the management of the District in a separate letter dated October 27, 2021.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DISTRICT'S RESPONSE TO FINDINGS

The District's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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Pat McCarthy, State Auditor

Olympia, WA

October 27, 2021

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

S-2

Snohomish Health District January 1, 2020 through December 31, 2020

Board of Health
Snohomish Health District
Everett, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the Snohomish Health District, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2020. The District's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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Pat McCarthy, State Auditor

Olympia, WA

October 27, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

F-1

Snohomish Health District January 1, 2020 through December 31, 2020

Board of Health
Snohomish Health District
Everett, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of basic (single opinion unit) and the aggregate remaining fund information of the Snohomish Health District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed on page {inserted by OS}.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of basic (single opinion unit) and the aggregate remaining fund information of the Snohomish Health District, as of December 31, 2020, and the respective changes in financial position thereof, and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on page {financial section page number inserted by OS} be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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Pat McCarthy, State Auditor

Olympia, WA

October 27, 2021

FINANCIAL SECTION

Snohomish Health District January 1, 2020 through December 31, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2020

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2020

Statement of Activities – 2020

Governmental Funds Balance Sheet – 2020

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position –
2020

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2020

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities – 2020

General and Major Special Revenue Fund Budgetary Comparisons – 2020

Statement of Net Position – Proprietary Funds – 2020

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
– 2020

Statement of Cash Flows – Proprietary Funds – 2020

Statement of Net Position – Fiduciary Funds – 2020

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2020

Notes to Financial Statements – 2020

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2020

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2020

Schedule of Changes in the Net Pension Liability and Related Ratios – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2020

Notes to the Schedule of Expenditures of Federal Awards – 2020

CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Snohomish Health District January 1, 2020 through December 31, 2020

This schedule presents the corrective action planned by the District for findings reported in this report in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding ref number: 2020-001	Finding caption: The District lacked adequate internal controls for ensuring accurate financial reporting on the Schedule of Expenditures of Federal Awards.
Name, address, and telephone of District contact person: Sara Centanni 3020 Rucker Ave, Suite #308 Everett, WA 98201 425-339-3535	
Corrective action the auditee plans to take in response to the finding: (If the auditee does not concur with the finding, the auditee must list the reasons for non-concurrence). <i>The District would like thank the auditors for their comments and guidance. This finding was the result of a need for enhanced training for District staff regarding SEFA reporting. The grantor-prepared grant coversheet stated that the District was a vendor and not a subcontractor. However, after further review of the signed agreement, it was noted that the coversheet prepared by the grantor was incorrect, and the District was actually a subrecipient, requiring reporting on the SEFA. Despite the SEFA being submitted incorrectly, the funds were properly accounted for once identified, and the SEFA was promptly corrected to include the grant. Measures are now in place to ensure that staff rely on the executed documents for award information, and not the grantor-prepared supplementary documentation.</i>	
Anticipated date to complete the corrective action: Completed when identified during audit	

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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**Office of the Washington State Auditor
Pat McCarthy**

October 27, 2021

Board of Health
Snohomish Health District
Everett, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our financial audit of the Snohomish Health District from January 1, 2020 through December 31, 2020. We believe our recommendations will assist you in improving the District's internal controls in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to District officials and personnel. If you have any further questions, please contact me at (425) 948-0290.

This letter is intended for the information and use of management and the governing body and is not suitable for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for their cooperation and assistance during the audit.

Sincerely,

A handwritten signature in blue ink that reads "Kristina Baylor".

Kristina Baylor, Program Manager

Attachment

Management Letter
Snohomish Health District
January 1, 2020 through December 31, 2020

Capital Assets

The District prepares its financial statements in accordance with generally accepted accounting principles (GAAP). District management is responsible for designing and following internal controls that provide reasonable assurance financial statements, related schedules and notes are fairly presented and reliable. In the prior audit, the State Auditor's Office issued the District a management letter for inadequate controls over preparing financial statements, accounting for capital assets and reconciling bank statements. Our audit found the District took steps to improve its processes for preparing financial statements and reconciling bank statements, however, the District has not resolved the prior audit's recommendation related to accounting for capital assets. As a result, we identified the following deficiencies in internal controls during the current audit:

- The District continues to lack a formal capital asset policy that provides clear guidance on capitalization criteria, accounting for depreciation, acquisition of new assets, disposal of sold or retired assets, reporting lost or stolen assets, asset inventory procedures, and procedures for maintaining asset listing.
- The District lacks procedures that require staff to perform an annual inventory for capital assets. Instead, District staff relies on its memory and general understanding of assets to confirm they exist at year-end. Reliance on memory does not provide adequate assurance that location, condition, and existence of physical assets are reconciled to accounting records.
- The District's capital asset listing is primarily comprised of fully depreciated assets, which former staff members added in prior years. These assets lack adequate descriptions that would allow staff to perform an annual inventory. We tested 40 assets and found the following:
 - We could not verify that 21 assets existed due to inadequate asset descriptions, a lack of knowledge about the asset because of its age, a lack of documentation for asset disposals, and the improper classification of expenses (e.g., dump fees, electrical alteration), which are not physically observable assets.
 - We could not directly observe twelve assets because they were components of projects.

We continue to recommend the District formalizes a capital asset policy that establishes procedures for maintaining, tracking and recording capital assets, including performing an annual inventory of these items. We also recommend the District reviews its capital asset listing to ensure that all assets listed still exist, they have adequate descriptions that would for inventory, and are appropriately componentized in accordance with BARS GAAP 3.3.10.150.



Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Accountability Audit Report

Snohomish Health District

For the period January 1, 2020 through December 31, 2020

Published (Inserted by OS)

Report No. 1029234



Find out what's new at SAO
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Office of the Washington State Auditor Pat McCarthy

Issue Date – (Inserted by OS)

Board of Health
Snohomish Health District
Everett, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the Snohomish Health District from January 1, 2020 through December 31, 2020.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements, credit cards, and employee reimbursements
- Tracking and monitoring of theft sensitive assets
- Self-insurance for unemployment
- Compliance with foundation agreement
- Financial condition

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding financial statement preparation.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE DISTRICT

The Snohomish Health District was incorporated in 1959, and currently serves the approximately 840,000 residents of Snohomish County. The District provides County residents with education and health services regarding community health, communicable disease and emergency preparedness, examines the safety of restaurant and vendor-prepared foods, enforces water quality and sewage requirements, and issues birth and death certificates.

The District is governed by the Board of Health, which comprises 15 representatives, including all five members of the Snohomish County Council, and city council members or mayors selected to serve by agreement of cities in each region of the County. The Board appoints executive management to oversee the District's daily operations as well as its staff of approximately 113 budgeted full-time employees. For fiscal year 2020, the District's general fund operating expenditure budget was originally approved at approximately \$16.8 million dollars. Due to the COVID-19 pandemic which began early in 2020, the budget was subsequently amended to approximately \$28.7 million and staffing was increased from 113 FTEs to 191 FTEs.

Contact information related to this report

Address:	Snohomish Health District 3020 Rucker Avenue Suite 308 Everett, WA 98201-3900
Contact:	Sara Centanni, Finance Manager
Telephone:	(425) 339-3535
Website:	www.snohd.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Snohomish Health District at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR’S OFFICE

The State Auditor’s Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor’s Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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October 27, 2021

Washington State Auditor's Office
15129 Main Street Suite C102
Mill Creek, WA 98012

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of Snohomish Health District for the period from January 1, 2020 through December 31, 2020. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available requested and relevant information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
 - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
 - e. Related party relationships and transactions.
 - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.

2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. Except as discussed with you, we have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. Except as reported to you in accordance with RCW 43.09.185, we have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records, notwithstanding immaterial uncorrected items referenced below.
10. We are responsible for taking corrective action on audit findings and have developed a corrective action plan.

Additional representations related to the financial statements:

11. We acknowledge our responsibility for fair presentation of financial statements and believe financial statements are fairly presented in conformity with generally accepted accounting principles in the United States of America.
12. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
13. The financial statements include financial information of the primary government and all component units, fiduciary and other activity required by generally accepted accounting principles to be included in the financial reporting entity.

14. The financial statements properly classify all funds and activities.
15. All funds that meet the quantitative criteria in GASB requirements or are otherwise particularly important to financial statement users, are presented as major funds.
16. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and depreciated as applicable.
17. We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.
18. Revenues are appropriately classified by fund and account.
19. Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.
20. Net position components (net investment in capital assets, restricted and unrestricted) are properly classified and, as applicable, approved.
21. Significant assumptions we used in making accounting estimates are reasonable.
22. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
 - a. Interfund, internal, and intra-entity activity and balances.
 - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - c. Joint ventures and other related organizations.
 - d. Guarantees under which the government is contingently liable.
 - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
 - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.
23. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
24. We acknowledge our responsibility for reporting supplementary information for the Schedule of Federal Awards, GASB 75 and Proportionate Share of Net Pension Liability

in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.

25. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
26. We acknowledge our responsibility for the supplementary information required by generally accepted accounting principles in the United States (RSI) and believe RSI is measured and presented within prescribed guidelines.
27. We have disclosed to you all significant changes in the methods of measurement and presentation of RSI, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation of the RSI.
28. We believe the effects of uncorrected financial statement misstatements summarized in the schedule of uncorrected items provided to us by the auditor are not material, both individually and in the aggregate, to each applicable opinion unit.
29. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.
30. We considered the qualifications of Healthcare Actuaries LLC and agree with the conclusions of Healthcare Actuaries LLC regarding our other post-employment benefits liability, which are reflected in financial statement amounts and disclosures. We have provided Healthcare Actuaries LLC with accurate and complete information and did not give or cause any instructions to be given to Healthcare Actuaries LLC with respect to the amounts or assumptions in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the objectivity of Healthcare Actuaries LLC.

Additional representations related to expenditures under federal grant programs:

31. We acknowledge our responsibility for complying, and have complied, with the requirements of 2 CFR § 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.
32. With regards to your audit of federal grant programs, we have made available all relevant and requested information of which we are aware, including:
 - a. All federal awards and related grant agreements (including amendments, if any), contracts with pass-through entities, service organizations and vendors, and correspondence.

- b. All communications from federal awarding agencies, vendors, service organizations or pass-through entities concerning possible noncompliance.
 - c. All information regarding corrective actions taken and management decisions or follow-up work performed by federal or pass-through agencies on any findings reported in the past.
 - d. All documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - e. Interpretations or other support for any situations where compliance with requirements might be questionable or unclear.
33. We have identified and complied with all direct and material compliance requirements of federal awards.
34. Management is responsible for establishing effective internal control and has maintained sufficient control over federal programs to provide reasonable assurance that awards are managed in compliance with laws, regulations, contracts or grant agreements that could have a material effect on each of our federal awards.
35. Federal program financial reports and claims for advances and reimbursements are supported by the accounting records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the Schedule of Expenditures of Federal Awards.
36. Copies of federal program reports provided to you are true copies of the reports submitted, or electronically transmitted, to federal agencies or pass-through agencies, as applicable.
37. We are responsible for, and will accurately prepare, the auditee section of the Data Collection Form as required by the Uniform Guidance.

Additional representations related to federal grants passed through to subrecipients:

38. We have advised our subrecipients of requirements imposed on them by Federal laws, regulations, contracts or grant agreements as well as any supplemental requirements we impose as a condition of receiving Federal awards.
39. We have monitored the activities of our subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, contracts or grant agreements.



Shawn Frederick
Administrative Officer



Stephanie Wright
Board of Health Chair

Tracker

shows you where your audit issues stand



Office of the
Washington
State Auditor

Pat McCarthy

New Audit Status Tool: What you need to know

The Office of the Washington State Auditor has created a tool for following the status of audit findings and corrective actions. This tool is called Tracker. Local governments will follow the same basic process for responding to audit findings, but Tracker will make information about findings and corrective action status easily accessible in a single location. The goals for this tool are to improve the usability of information regarding the status of audit issues and to give governments a way to quickly share their plans for resolving those issues.

Benefits of Tracker

Using Tracker, your government can:

- **Get up to speed more quickly when turnover occurs.** Employees who are new or in new positions will have one stop access to prior audit issues and corrective actions, rather than having to search multiple websites and contact their auditors. This also will help ease transitions with new leaders.
- **Be clear about its current audit status.**
- **Better and more quickly prepare for upcoming audits.**
- **More easily identify and resolve issues** before the audit is conducted or the audit report published.
- **Enter a status update at the time of the change.** It is easier to note details about a change when they are top of mind instead of waiting for months to capture that information ahead of the next audit.
- **Show quickly that it resolved an issue – and get the credit for that expedient resolution.** This could be useful for governments trying to manage perceptions regarding their stewardship of public funds.



“Our vision is to increase trust in government, and Tracker does that by meeting the public’s increasing expectation of government transparency.”

Pat McCarthy
State Auditor





Increased transparency

The Tracker tool will take information that is already available and improve the usability.

Update at your convenience

We think you will find that using Tracker to check and update your audit status at your convenience improves efficiency, accuracy, preparation and staff transitions. The designated representative or representatives for your government can update submitted information.

Timeline

Our plan is for the Tracker system for local governments to begin operating in March, and to become publicly accessible by the end of 2019.

Questions?

If you have questions or concerns, please feel free to contact your local audit team.



Office of the Washington State Auditor
Pat McCarthy



Tracker

A clear path to all your audit information

USER GUIDE

STEP 1

Log in to Online Services

Note: If you log in using Active Directory and receive an error message, you will have to log in using SAW.

State agencies use Active Directory

1. Go to sao.wa.gov.
2. Click the **Online Services** button.
3. Select **Log in with Active Directory**.

You will automatically be logged into Online Services.

If you receive an error message, you need to log in using SAW.



Local governments use SAW

1. Go to sao.wa.gov.
2. Click the **Online Services** button.
3. Select **Log in with SAW**.
This will take you out of the SAW website, to the SAW login page.
4. Enter your SAW username and password and click **Submit** to log in.

You will be returned to SAW's website and into Online Services.

If you need to use SAW to log in but don't have an account, you will need to create one following the steps under "**Create a SAW account**."

*Note: To find out whether you already have a SAW account, follow steps 1-4 under "**Create a SAW account**," select the **Check Now** button on the Sign up! page and follow the prompts.*



Office of the Washington State Auditor
Pat McCarthy

If you do not have a SAW account, please create one

1. Go to sao.wa.gov.
2. Click the **Online Services** button.
3. Select **Log in with SAW**.
This will take you out of the SAW website, to the SAW login page.
4. Select **Sign up!**.
5. Fill out the form to create an account with a username and password.
6. Select the **I am not a robot** box and follow the prompts.
7. Click **Submit**.
You will receive an email with a link to activate your account.
8. Click the link to complete the activation.
9. Enter your SAW username and password and click **Submit** to log in.
You will be returned to SAW's website and into Online Services.

2 After logging into Tracker's online services you can...

View your findings and management letters

1. On the Welcome to Online Services page, click the Tracker tab.
2. Select your government's name from the dropdown list.

Note: The list will show only those governments with which you have a confirmed role.

3. Click the link for the desired report.

Update your reported status

1. In the **Entity Reported Status** column, click the link to the current status for the desired report.
2. From the dropdown list, select a different status.

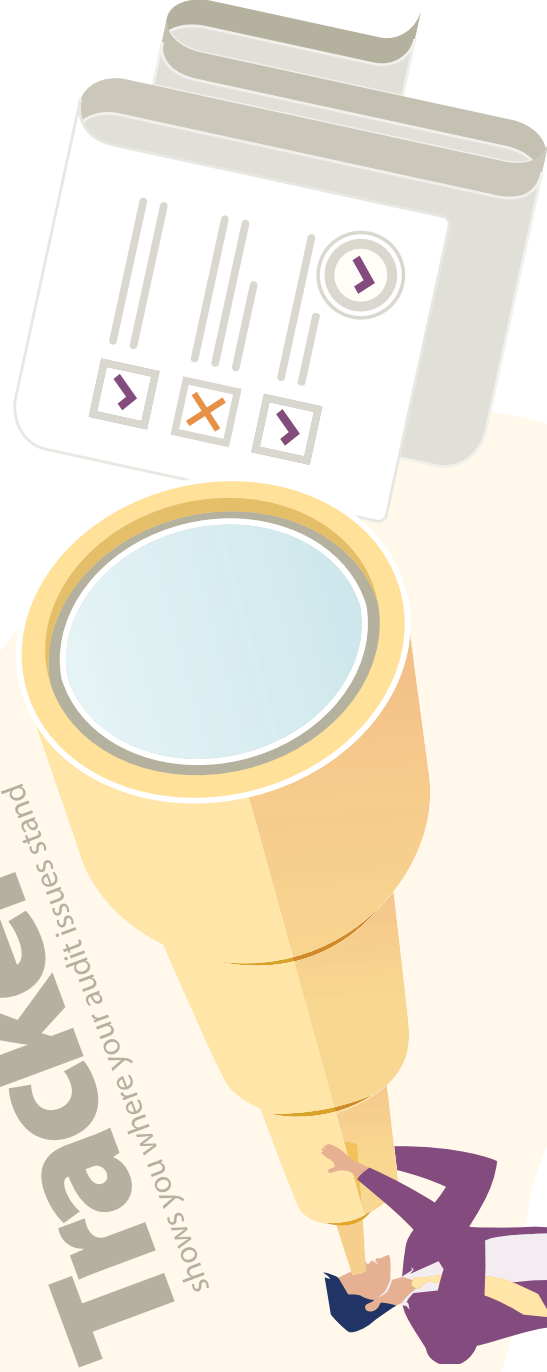
If desired, you can add contextual information in one of two ways:

- a. Type in the text field to describe the corrective action in greater detail.
 - b. Click the **Select** button to upload an attachment.
3. Click **Submit**.

Who can change my reported status?

Your government or agency will have a primary contact, who will have IT permissions to change the reported status of findings and management letters. Initially, this role will default to the person identified in our system as your Audit Contact (usually the Audit Liaison). If your government wants others to also have this ability, discuss this with the Audit Contact.

Tracker
Shows you where your audit issues stand



Office of the Washington State Auditor
Pat McCarthy

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