

Washington State Auditor's Office
Accountability Audit Report

**Washington Rural Counties Insurance
Pool
Grant County**

Report Date
July 29, 2013

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August 19, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

August 19, 2013

Board of Directors
Washington Rural Counties Insurance Pool
Ephrata, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Pool to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the Washington Rural Counties Insurance Pool's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**TROY KELLEY
STATE AUDITOR**

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Grant County
July 29, 2013**

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Audit Summary

Washington Rural Counties Insurance Pool Grant County July 29, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington Rural Counties Insurance Pool from September 1, 2011 through August 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the Pool. We also determined whether the Pool complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Purchases and payments

RESULTS

In the areas we examined, the Pool's internal controls were adequate to safeguard public assets. The Pool also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

**Washington Rural Counties Insurance Pool
Grant County
July 29, 2013**

FINANCIAL

Our opinion on the Pool's financial statements is provided in a separate report, which includes the Pool's financial statements.

Description of the Pool

Washington Rural Counties Insurance Pool Grant County July 29, 2013

ABOUT THE POOL

The Washington Rural Counties Insurance Program was formed through an inter-local agreement between several rural counties in 1998. The agreement allowed the joint purchase of insurance, joint self-insuring, joint hiring or contracting for risk management services and claims administration. The Pool contracts with a private firm for claims administration, insurance broker and risk management services and hence has no employees of its own.

An eight-member Board of Directors governs the Pool. Each county has one representative on the Board of Directors. The Pool operates under state law (Chapter 48.62 RCW) and must seek approval from the state Office of Risk Management within the Department of Enterprise Services for changes in its operation. For the year under audit, the Pool operated on a budget of approximately \$3.5 million.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Malcolm Friedman, Stevens County
Richard Stevens, Grant County
Scott Hutsell, Lincoln County
Lisa Marsyla, Wahkiakum County
Brad Miller, Ferry County
Michael Largent, Whitman County
Rex Johnson, Klickitat County
Kelly Dougherty, Asotin County
(until April 2012)
Jim Jeffords, Asotin County
(starting April 2012)

Note: Subsequent to the 2011-2012 fiscal year, Brad Miller was replaced by Mike Blankenship, Malcolm Friedman was replaced by Don Dashiell and Lisa Marsyla was replaced by Blair Brady.

POOL CONTACT INFORMATION

Address: Washington Rural Counties Insurance Pool
451 Diamond Drive
Ephrata, WA 98823

Phone: (509) 754-2027

Website: www.wrcip.us

AUDIT HISTORY

We perform an accountability audit of the Pool annually; although, prior to 2011 we performed the Pool's accountability audits on a two-year cycle. The last six accountability audits have been free of findings.



ABOUT THE STATE AUDITOR'S OFFICE

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

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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