

# Entrance Conference

The Northwest Seaport Alliance

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Office of the  
Washington  
State Auditor  
Pat McCarthy

# Audits that Matter



## Accountability

Financial

Federal

Performance Audits

Cybersecurity Audits

Fraud/ Whistleblower  
Investigations

Unauditable  
Governments

Citizen Hotlines

Other Engagements



Pat McCarthy  
State Auditor

## 2,724 audits conducted

(July 1, 2023 – June 30, 2024)

# Today's Presentation



Office of the  
Washington  
State Auditor  
Pat McCarthy

- Work of Other Auditors
- 2021 through 2023 Accountability Audit
- About the Audit
- Resources
- Concluding comments

# Work of Other Auditors

- A financial statement audit was performed by Moss Adams.
- In accordance with professional standards, we will consider the audit report and audit work performed by other auditors in the planning of our accountability audit. This includes communicating with the other auditors, evaluating their work and results, and leveraging the work already performed, if applicable.



# Accountability Audit

January 1, 2021, through December 31, 2023



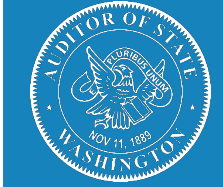
Using a risk-based audit approach for the Authority, we plan to evaluate the following areas:

- Accounts payable – general disbursements and electronic funds transfers
- Self-insurance – health and welfare, unemployment compensation, and workers compensation
- Payroll – gross wages, overtime, and benefits
- Accounts receivable – lease revenue and rail incentive
- Financial condition – reviewing for indications of financial distress





# Levels of Reporting



Findings

Management  
letters

Exit items



# Important Information

Confidential  
Information

Audit Costs

Audit  
Dispute  
Process

Loss  
Reporting



# Reporting Cybersecurity Issues

## Reporting to the Attorney General's Office (AGO)

- Reporting required for single security incidents affecting >500 Washington residents
- Find out more about reporting requirements and how to report at [www.atg.wa.gov/data-breach-notifications](http://www.atg.wa.gov/data-breach-notifications)

## Reporting to the State Auditor's Office (SAO)

- Reporting may be required for cyber-security events involving financial records or finances, regardless of number of affected parties.
- To learn more, please visit <https://sao.wa.gov/has-your-government-experienced-a-cybersecurity-issue-here-is-when-and-how-to-report/>



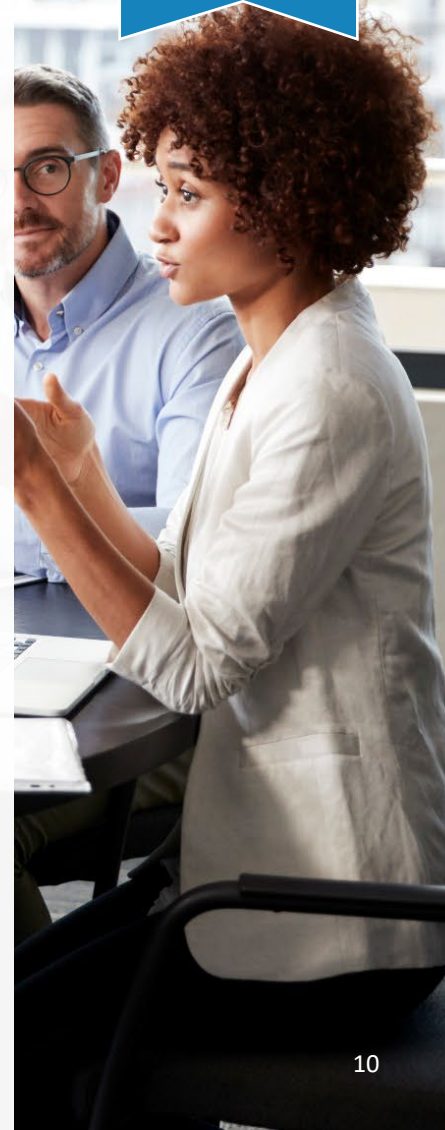
# Working Together to Improve Government

## Local Government Support Team

- BARS & Annual Online Filing
- Accounting and Reporting Training
- Client portal, including helpdesk

## The Center for Government Innovation

- Free tools, resources and services to help you solve problems and improve operations.



# SAO's Center for Government Innovation offers:



- **Cyber checkups** to assess your government's vulnerability to common cybersecurity threats
- **Customized Lean facilitations & trainings** to help you improve how work gets done
- **Teambuilding workshops** to help you strengthen your team, increase trust, and promote workplace harmony
- **Financial Intelligence Tool (FIT)** data to help you monitor your government's financial health



Contact the Center today! 564-999-0818 ▪ [center@sao.wa.gov](mailto:center@sao.wa.gov) ▪ [www.sao.wa.gov/](http://www.sao.wa.gov/)

# Fraud-prevention resource for elected officials and appointed board members



The guide is organized into three sections:

- **Preventing fraud:** Includes tips to consider when establishing a fraud policy and assessing your risk
- **Detecting fraud:** Offers tips for improving your fraud-detection abilities, including a list of three review strategies
- **Responding to fraud:** Provides guidance on developing a fraud response plan, communicating to the media and public, and reporting known and suspected losses to SAO



# Questions?



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