



Office of the  
Washington  
State Auditor  
Pat McCarthy

# Entrance Conference

Port of Tacoma

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**November 14, 2024**

*Disclaimer: This presentation is intended to be viewed in conjunction with the complete packet of entrance materials provided. A copy of those materials may be requested by contacting the presenters listed or by emailing [PublicRecords@sao.wa.gov](mailto:PublicRecords@sao.wa.gov).*

# 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  
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- 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 Port, we plan to evaluate the following areas:

- Procurement – public works, purchases, and professional services
- Compliance with public works projects – prevailing wages, change orders, retainage requirements
- Accounts payable – general disbursements, credit cards and electronic funds transfers
- Selected IT - data backup and recovery, patch management
- Payroll – gross wages, electronic funds transfers, bonus and incentive payments
- Accounts receivable – lease revenue and rail incentive
- Self-insurance – health and welfare, unemployment compensation, and workers compensation
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements



# 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/)

# What you can do for Fraud Awareness Week

- Share SAO's Fraud Week social media posts to help spread important information
  - X: [@WAStateAuditor](https://twitter.com/WAStateAuditor)
  - Facebook: [www.facebook.com/WAStateAuditorsOffice](https://www.facebook.com/WAStateAuditorsOffice)
- Check in with SAO's Audit Connection Blog for Fraud Week articles
- Evaluate susceptibility with SAO's *Expect the Unexpected* resource, *Trust, but Verify* guide and more



Scan for fraud prevention resources

Fraud Awareness Week is November 17-23.



Learn more at [FraudWeek.com](https://FraudWeek.com)

# Questions?



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