

Washington State Auditor's Office
Accountability Audit Report

Washington Counties Insurance Fund
Thurston County

Report Date
November 12, 2013

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December 9, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

December 9, 2013

Board of Directors
Washington Counties Insurance Fund
Tumwater, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Fund 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 Counties Insurance Fund'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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Thurston County
November 12, 2013**

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Audit Summary

Washington Counties Insurance Fund Thurston County November 12, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington Counties Insurance Fund from January 1, 2012 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the Fund. We also determined whether the Fund 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:

- Open Public Meetings Act
- Solvency
- Monitoring of third party administrators
- General disbursements

RESULTS

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

Related Reports

**Washington Counties Insurance Fund
Thurston County
November 12, 2013**

FINANCIAL

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

Description of the Fund

Washington Counties Insurance Fund Thurston County November 12, 2013

ABOUT THE FUND

The Washington Counties Insurance Fund was formed in 1958 by the Washington State Association of Counties as a means of pooling the cost of employee benefits such as medical, dental, vision and life insurance coverage for counties and special purpose districts throughout the state. In 1985 the Fund Board of Trustees hired its own professional employee benefits staff to direct the efforts of the Fund, set future goals, install cost containment measures, research available coverage, develop administration guidelines for member employers and manage Fund investments.

The Fund is governed by a 19-member Board of Trustees. Board membership consists of representatives from member counties and local governments. The Board appoints an Executive Director to oversee the Fund's daily operations as well as its six employees. For 2011, the Fund operated on an annual budget of approximately \$1.54 million.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Trustees:

Kittitas County	Alan Crankovich, Executive Chair
Wahkiakum County	Lisa Marsyla, Chair
Island County	Helen Price-Johnson, Vice Chair
Benton County	Shon Small
Columbia County	Dwight Robanske
Cowlitz County	Michael Karnofse
Ferry County	Brad Miller
Garfield County	Dean Burton
Lewis County	Bill Schulte
Pacific County	Jon Kaino (through May 2012)
	Lisa Ayers (beginning June 2012)
Pend Oreille	Laura Merrill
Stevens County	Malcom Friedman
Walla Walla County	James Johnson
Housing Authority of Kittitas County	Willard Rietzel
North Central Regional Library	Marilyn Neumiller
Rural Resources Community Action	Greg Knight
Spokane County Library District	Paul Eichenberg
Spokane Housing Authority	Randy Rollins
Timberland Regional Library	Rich Park

Executive Director

Mike Shelton (through May 2012)
Jon Kaino (beginning June 2012)

FUND CONTACT INFORMATION

Address: Washington Counties Insurance Fund
2558 RW Johnson Road S.W., Suite 300
Tumwater, WA 98512

Phone: (360) 292-4473

Website: www.wcif.net

AUDIT HISTORY

We audit the Fund every year. In 2007, the Fund received a finding related to illegal investments. That finding was resolved. The past four audits as well as the current audit were 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.

We 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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