



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Spokane Regional Health District

For the period January 1, 2017 through December 31, 2017

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

February 19, 2019

Board of Health
Spokane Regional Health District
Spokane, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office 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.

The attached comprises 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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT RESULTS

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

As referenced above, we noted certain matters that we communicated to District management and Board of Health in a letter dated February 7, 2019 related to State Program Contract Compliance. We appreciate the District's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Spokane Regional Health District from January 1, 2017 through December 31, 2017.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended December 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Compliance with state grant requirements – HIV Community Services Program (eligibility and program benefits)
- Selected IT security policies, procedures, practices, and controls protecting financial systems, IT systems, and data
- Donations – Nurse Family Partnership

RELATED REPORTS

Financial

Our opinion on the District's financial statements 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 significant deficiency in internal controls over financial reporting regarding liabilities related to its other post-employment benefits.

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 Spokane Regional Health District is one of 34 local public health agencies serving Washington state's 39 counties. The agency was originally established as the Spokane County Health District in January 1970, when the City of Spokane and Spokane County merged their health departments. In 1994, the official name was changed to the Spokane Regional Health District to reflect the increased scope of public health services and geographic coverage. The District has approximately 250 employees and serves a population of more than 500,000 in Spokane County. The Spokane Regional Health District's Board of Health is the governing body of the Health District, uniting the cities and county in a cooperative effort to oversee all matters pertaining to public health, according to state law (RCW 70.05).

The 12-member board includes the three Spokane County Commissioners, three City of Spokane Council members, two City of Spokane Valley Council members, one elected official representing the small cities, and three citizen representatives. The Board appoints management to oversee the District's daily operations as well as its 250 employees. For fiscal year 2017, the District operated on an annual budget of approximately \$26.3 million.

Contact information related to this report	
Address:	Spokane Regional Health District W. 1101 College Spokane, WA 99201
Contact:	Kim Kramarz, Accounting Manager
Telephone:	(509) 324-1662
Website:	www.srhd.org

Information current as of report publish date.

Audit history

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

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov