Entrance Conference

City of Tacoma

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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.

1

1

About SAO

- Established in State Constitution
- Led by State Auditor Pat McCarthy
- Auditor of all public accounts
- Audits more than 160 state agencies and 2,200 local governments
- Audits 43 different government types
- Staffed by nearly 500 employees

"Our mission is to promote accountability and transparency in government."

State Auditor Pat McCarthy

2

2

Audits that matter

Accountability

Financial		Federal
Performance audits	Cybersecurity audits	Energy compliance audits
Citizen hotlines	Special investigations	Other engagements

2,501 audits conducted
(July 1, 2024 – June 30, 2025)

3

Financial statement audit

January 1, 2025 through December 31, 2025

Report on the Financial Statements	Report on Internal Control and Compliance
• Objective of audit is to express an opinion on the financial statements • Audit conducted in accordance with *Government Auditing Standards*	• Controls evaluated as necessary to perform the audit • Procedures performed which could identify material noncompliance

4

4

Annual Comprehensive Financial Report (ACFR)

Certificate of Achievement for Excellence in Financial Reporting

- Optional award program offered from the Government Finance Officer's Association (GFOA)
- Requires preparation and subsequent audit review of additional financial schedules
- Financial statement opinion letter issued

GFOA Certificate of Achievement FOR EXCELLENCE IN Financial Reporting

5

5

Federal grant compliance audit

January 1, 2025 through December 31, 2025

Report on Compliance for Each Major Federal Program

Opinion will be issued in accordance with *Government Auditing Standards* and the Uniform Guidance

Report on Internal Control over Compliance

- Assess adequacy of federal grant processes at preventing non-compliance
- Identify whether there are instances of material non-compliance

6

6

Major programs selected for audit

ALN	Program or cluster title	Total amount expended
14.218	Community Development Block Grants/Entitlement Grants Cluster	$1,776,898
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous grants	$1,496,938
20.205	Highway Planning and Construction	$16,277,015
97.044	Assistance to Firefighters Grant	$1,014,773
97.056	Port Security Grant Program	$686,082

These costs amount to about 81% of the total federal expenditures for 2025.

7

7

Levels of reporting

- **Findings** — Included in audit report
- **Management letters** — Referenced in audit report
- **Exit items** — Communicated to management

8

8

Other matters

Audit standards require us to communicate to the governing body, any:

- Significant difficulties or disagreements encountered during the audit
- Unreasonably brief time to complete the audit
- Significant delays in getting information
- Extensive unexpected effort to obtain audit evidence
- Unavailability of expected information
- Restrictions imposed on auditors by entity management

9

9

Important information

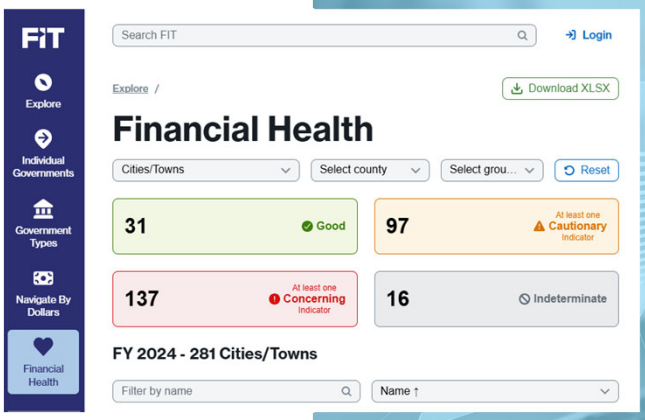
- Confidential information
- Audit costs
- Audit dispute process
- Loss reporting

10

10

FIT provides data and information

- Clear picture of your government's overall financial health
- Indicators highlight strengths and areas needing attention
- Data that helps guide budgeting and planning decisions



11

11

Who audits the State Auditor?

Peer reviews of the Office of the Washington State Auditor

Our Office receives external peer reviews every three years by the National State Auditors Association.

2025 rating received: "**Pass**" – the highest level of assurance that an external review team can provide.

"I've done 25 of these and by far, this was the best one I've done."

- Scott Owens, Director at the Georgia Department of Audits and Accounts and a peer review leader

12

12

Local Government Support services

Annual filing assistance

- BARS Manual annual updates
- Online filing system for local government annual reporting requirements
- On-time filing is the law – and we can help!

Scan QR code to access annual filing FAQs

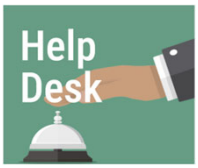
13

13

Trainings and client support

Proactive trainings

- Accounting and Reporting Training (recorded regularly and live)
- Opportunities to learn about the required components of the annual report
- Client portal, including HelpDesk



Scan QR code to access our eLearnings

14

14

SAO's Center for Government Innovation offers free:

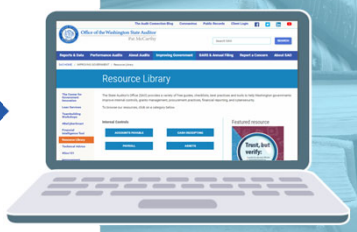
- **Cyber checkups** to assess your government's vulnerability to common cybersecurity threats
- **Resource Library** with tools, checklists and other resources that provide you ways to improve internal controls, compliance and other areas
- **Customized Lean facilitations & trainings** to help you improve how work gets done
- **Teambuilding workshops** to help you strengthen your team, increase trust, and promote workplace harmony

Contact the Center today! 564-999-0818 ▪ Center@sao.wa.gov

15

15

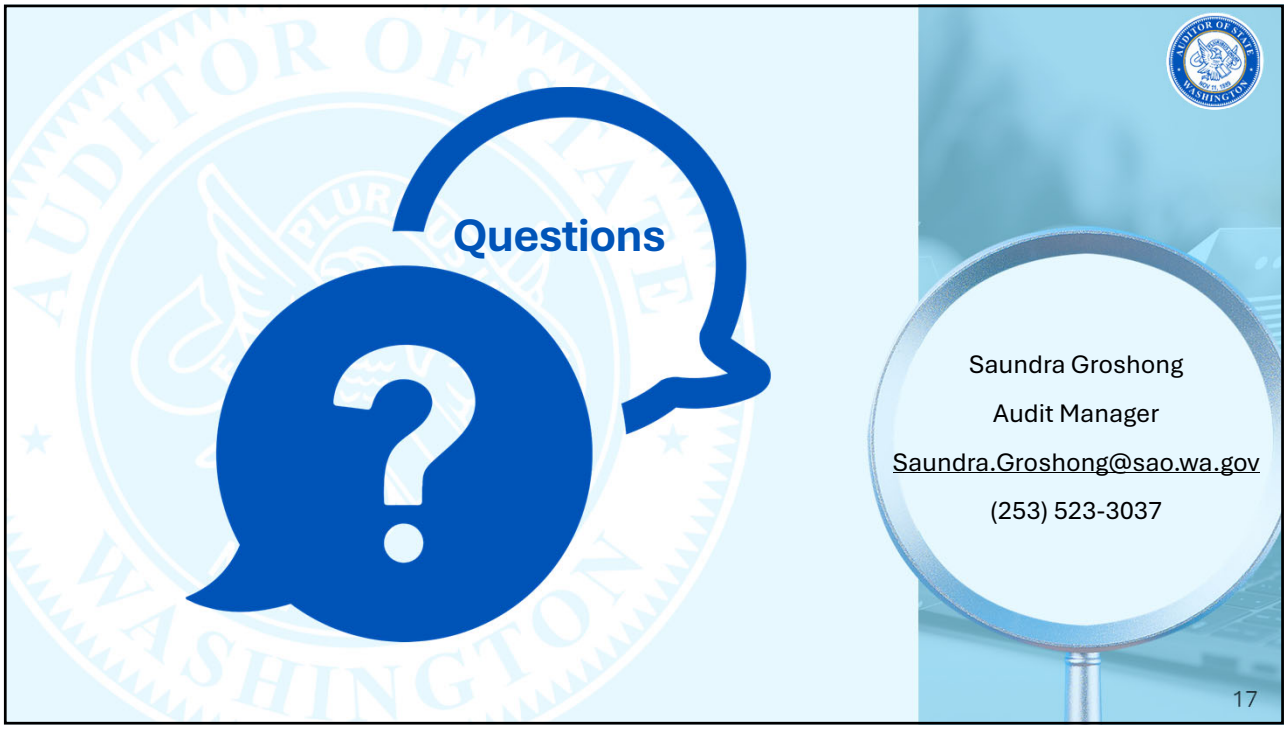
Fraud prevention resource



Available in our resource library, SAO's latest fraud prevention resource shows government officials how a 30-minute bank statement review can spot the red flags of fraud.

16

16


Questions
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17

17