



Washington State Auditor's Office

Government that works for citizens

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Entrance Conference: Sound Transit

About our Office

The Washington State Auditor's Office's vision is government that works for citizens. Our goal is for government that works better, costs less and earns greater public trust.

The purpose of this meeting is to share our planned audit scope so that we are focused in the most significant areas. We value and appreciate your input.

Audit Scope

Based on our preliminary planning, we will perform the following audits:

- **Accountability audit** for the fiscal year 2015

We will assess for the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

We will share specific audit areas with management and Audit and Reporting Committee Chair on September 15, 2016.

- **Financial statement audit** for the fiscal year 2015

KPMG conducted the Authority's financial statement audit. We will not re-issue the financial statements report. However we will review KPMG's audit documentation and the audit report.

- **Federal grant compliance audit** for the fiscal year 2015

KPMG conducted the Authority's federal grant compliance audit, as prescribed by the Office of Management and Budget (OMB) Circular A-133. This audit is required when federal grant expenditures exceed \$500,000 in a fiscal year. We will not re-issue the federal compliance audit report. However we will review KPMG's audit documentation and the audit report.

Engagement Letter

We have provided an engagement letter which documents both of our responsibilities for conducting and performing the audit. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

Levels of Reporting

Findings

Findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

Management Letters

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant or immaterial effect, or errors with an immaterial effect on the financial statements. These issues are informally communicated to management.

Other Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$51,150.

Expected Communications

During the course of the audit, we will communicate with Lori Bevier, Senior Compliance Analyst, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Lori Bevier to keep us informed of any such matters.

Audit Dispute Process

Please contact the Audit Manager or Deputy Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

Loss Reporting

Local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at <http://portal.sao.wa.gov/saoportal/public.aspx/LossReport>.

Available Resources

The Washington State Auditor's Office also has many resources available throughout the year.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

Local Government Performance Center

The Performance Center is a resource for local governments that need to solve problems, reduce costs, and improve the value of their services to citizens. The Center offers training and tools to help local governments improve performance and effectiveness.

Audit Team Qualifications

Jan Jutte, CPA, Deputy State Auditor – Jan has more than 40 years of accounting and auditing experience, and has been with the Washington State Auditor's Office since 1985. She has managed or been the deputy director over virtually every state agency and local government audit within the Office.

Kelly Collins, CPA, Director of Local Audit – Kelly has been with the Washington State Auditor’s Office since 1992. In her role she oversees the audit teams which perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board and is a member of the Washington Society of Certified Public Accountants’ Government Auditing and Accounting Committee.

Mark Rapozo, CPA, Deputy Director of Local Audit – Mark has been with the Washington State Auditor’s Office since 1983. In his role as Deputy Director he assists with the statewide oversight and management of all the audits for local government. He also served as the chairman of the Local Records Committee of the Washington State Archives for 10 years.

Joe Simmons, CPA, Acting Audit Manager – Joe has been with the State Auditor’s Office since 1987 and became Acting Audit Manager of Team Central King County in November of 2015. In his prior role as Assistant Audit Manager on two different teams he worked on audits of state and local governments throughout Pierce, Kitsap, Mason, Clallam, and Jefferson counties. He has also provided support as one of our Office’s county and city subject matter specialists.

Anastassia Kavanaugh, Assistant Audit Manager – Anastassia has been with the State Auditor’s Office since 2007. She has a wide range of experience performing and supervising financial statement, federal grant compliance, and accountability audits of local governments throughout King County. Anastassia also provides assistance as our Office’s subject matter specialist for Public Development Authorities.

Heidi Wiley, Audit Lead – Heidi has been with the Washington State Auditor’s Office since 2008. During her time with the Office, Heidi has worked on two different teams covering state and local governments throughout Western Washington. Heidi is also one of our Office’s subject matter specialists, with a focus on air pollution control authorities.