Association of Washington Cities Risk Management Service Agency
Thurston County

Report Date
May 21, 2014

Report No. 1011980

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May 27, 2014
May 27, 2014

Board of Directors
Association of Washington Cities Risk Management Service Agency
Olympia, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Agency 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 Association of Washington Cities Risk Management Service Agency’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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Audit Summary

Association of Washington Cities Risk Management Service Agency
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ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Association of Washington Cities Risk Management Service Agency from January 1, 2013 through December 31, 2013.

We evaluated internal controls and performed audit procedures on the activities of the Agency. We also determined whether the Agency 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
- Member assessments
- Solvency
- Actuarial study

RESULTS

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

Association of Washington Cities Risk Management Service Agency
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FINANCIAL

Our opinion on the Agency’s financial statements is provided in a separate report, which includes the Agency’s financial statements.
Description of the Agency

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ABOUT THE AGENCY

The Association of Washington Cities Risk Management Service Agency is a municipal self-insurance pool that was formed on January 1, 1989, and is located in Thurston County. The Agency provides property and casualty insurance coverage to 92 participating member cities of the Association of Washington Cities (AWC). In lieu of having employees, the administrative functions of the Agency are performed under contract with the AWC and the individuals who perform services for the Agency are all employees of AWC.

The Agency is governed by an elected, seven-member Board of Directors comprised of city officials within the state. The primary source of revenue for the Agency comes from member assessment fees and its major expenses include payments of claims and payments for insurance coverage. For fiscal year 2013, the Agency had operating revenue of $6,696,159.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:  
Steve Ekberg, Councilmember, Gig Harbor  
Jeanne Pettersen, Councilmember, North Bend  
Jim Bailey, Councilmember, Wenatchee  
Robert Whisman, Mayor, Deer Park  
Graham Hunt, Councilmember, Orting  
Ken Smith, Mayor, Vader  
Glen Cook, Mayor, Winlock

APPOINTED OFFICIALS

Chief Executive Officer  
Michael A. McCarty
AGENCY CONTACT INFORMATION

Address: Association of Washington Cities Risk Management Service Agency
1076 Franklin S.E.
Olympia, WA 98501

Phone: 360-753-4137

Website: www.awcnet.org

AUDIT HISTORY

We audit the Agency annually. This is the Agency’s 13th consecutive audit with no 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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