



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

August 13, 2019

Dear Colleagues,

This letter is to notify you of an adjustment to our hourly billing rates for local government audit work. The adjustment is driven by the significant, back-to-back salary increases for state employees and increases to non-discretionary operating expenses.

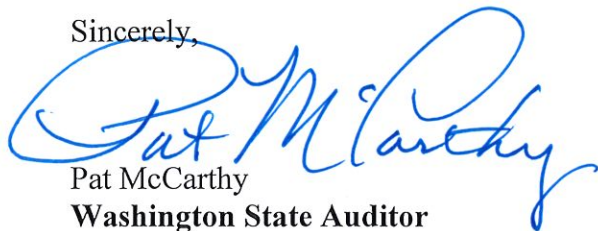
As of Jan. 1, 2020, the hourly billing rate for local government audit work will be \$113. Fraud investigations will be billed at a rate of \$210 an hour. The hourly rate for auditors in travel status will remain at 75 percent of the applicable hourly rate, or \$84.75 for audit and \$157.50 for fraud.

As a veteran of local government, I strive as you do to provide services as cost effectively as possible. However, our hourly billing rates must keep pace with the true cost of doing business. The Legislature approved salary increases for all state employees for a second consecutive biennium. Although increased salaries and benefits have helped our efforts to recruit and retain talented staff, they also have increased our non-discretionary operating expenses such as legal services, centralized technology services and insurance.

Our goal is to maintain this hourly rate for the next two years, through 2021. However, we evaluate our audit rates every year and are committed to continued communication of any future rate adjustments. If you have any questions regarding this rate adjustment, please contact Kelly Collins, CPA, Director of Local Audit at (360) 902-0091 or email her at Kelly.Collins@sao.wa.gov.

We look forward to continuing our positive, productive working relationship.

Sincerely,


Pat McCarthy
Washington State Auditor