



Office of the Washington State Auditor

Pat McCarthy

Unauditable Governments in Washington

Progress since May 2019

What is the law?

State law (RCW 43.09.260) requires local governments to be audited by our Office and for them to submit annual financial reports (RCW 43.09.230), yet every year many governments do not meet these obligations.

How do we reach out?



Reminder emails
(both before and
after deadline)



*If government
does not respond ...*



**Phone calls
and letters**



Still no results?



**Certified final notice
sent to elected officials
before government is
listed as unauditale.**

**3
Years**

**If auditors cannot obtain
adequate information to
perform an audit for 3 years,
our Office notifies the public.**






Government declared "unauditale"

41 governments were identified as unauditale from 2015 through 2017

What is their status now?

3 governments formerly identified as unauditabile have received completed audits and are no longer unauditabile.

Entity Name	Gov Type	County	<u>AUDIT COMPLETED</u>
Wenatchee Chiwawa Irrigation District	Irrigation	Chelan County	
Harrington, City of	City	Lincoln County	
Pend Oreille County Cemetery District No 2	Cemetery	Pend Oreille County	

38 governments are currently listed as unauditabile.

A government is unauditabile if it has not provided adequate financial records for SAO to perform an audit. 15 of the governments below, often with the help of neighboring governments such as cities and counties, have worked with our Office and are being audited or have filed information for audit. However, those governments are still considered unauditabile until an audit is completed.

Entity Name	Gov Type	County	<u>UNAUDITABLE REPORT ISSUED</u>	Filed	Audit Started
King Co. Drainage District 5	Drainage	King	X		
Skagit Co. Dike District 19	Drainage	Skagit	X		
Cline Irrigation District	Irrigation	Clallam			
Grant Co. Cemetery Dist. 3	Cemetery	Grant			
Grant Co. Weed District 1	Weed	Grant			
Island Co. Drainage District 1	Drainage	Island		✓	
Island Co. Drainage District 5	Drainage	Island			
Island Co. Drainage District 8	Drainage	Island		✓	
Juniper Beach Water District	Water	Island		✓	✓
King Co. Fire Protection Dist. 24	Fire	King			
King Co. Fire Protection Dist. 31	Fire	King			
Redmond Public Corporation	Misc	King		✓	
Rocky Point Water District 12	Water	Kitsap			
Lewis Co. Cemetery District 4	Cemetery	Lewis			
Lewis Co. Drainage District 1	Drainage	Lewis			
Lewis Co. Fire Protection District 17	Fire	Lewis		✓	✓
Lewis Co. Water District 3	Water	Lewis			



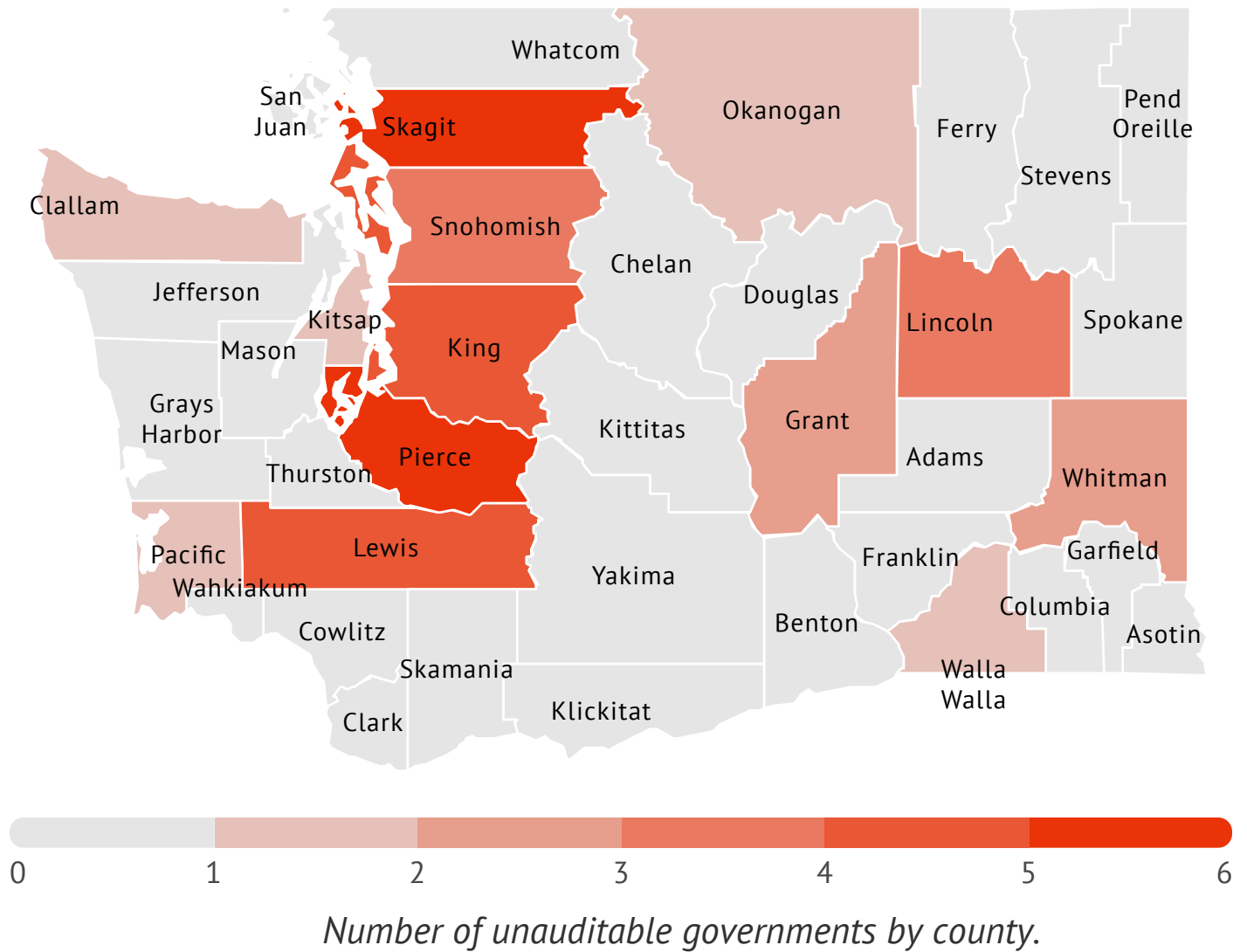
List of 38 unauditable governments (continued)

Entity Name	Gov Type	County	<u>UNAUDITABLE REPORT ISSUED</u>	Filed	Audit Started
Lakeview Sewer District 1	Sewer	Lincoln			
Lincoln Co. Cemetery Dist. 6	Cemetery	Lincoln		✓	
Sprague PDA	PDA	Lincoln			
Okanogan Co. Cemetery District 3	Cemetery	Okanogan			
Pacific Co. Fire Protection District 7	Fire	Pacific			
Elkhorn Water District	Water	Pierce		✓	✓
Lake Louise Weed Removal District	Weed	Pierce			
Lake Ohop Weed Removal District	Weed	Pierce			
Lake Steilacoom Weed Removal District	Weed	Pierce			
Pierce Co. Drainage Dist. 23	Drainage	Pierce		✓	✓
Skagit Co. Dike District 4	Drainage	Skagit		✓	
Skagit Co. Dike District 9	Drainage	Skagit		✓	
Skagit Co. Drainage Dist. 17	Drainage	Skagit		✓	✓
Skagit Co. Drainage Dist. 18	Drainage	Skagit		✓	
Skagit Co. Fire Protection Dist. 15	Fire	Skagit		✓	
Snohomish Co. Dike and Drainage Improvement Dist. 7	Drainage	Snohomish			
Snohomish Co. Diking Dist. 3	Drainage	Snohomish			
Snohomish Co. Fire Protection Dist. 27	Fire	Snohomish		✓	✓
Waitsburg Coppei Flood Control District	Flood	Walla Walla			
Whitman Co. Cemetery 7	Cemetery	Whitman			
Whitman Co. Fire Protection District 4	Fire	Whitman		✓	



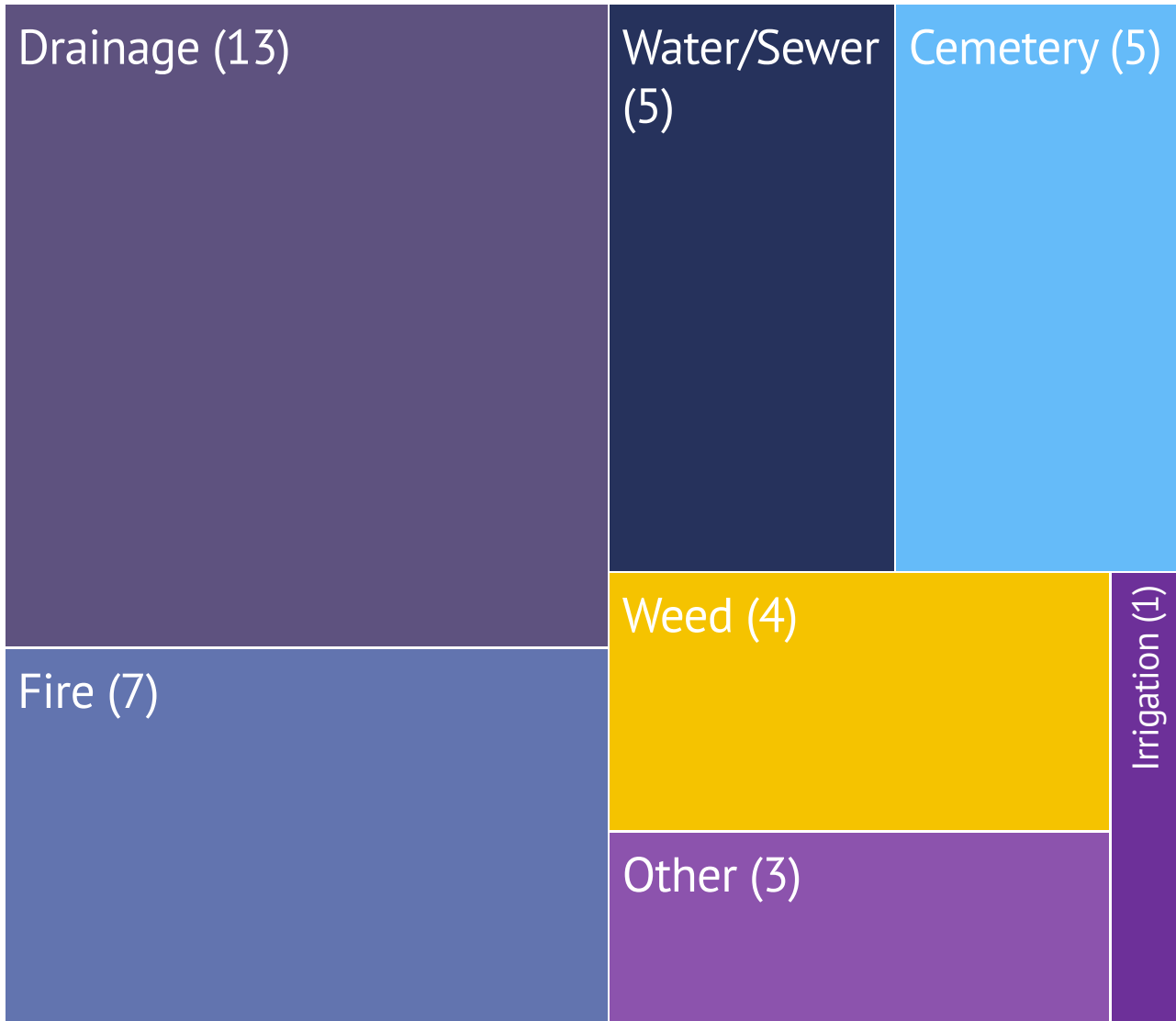
Where are they?

This issue isn't limited to a specific area of the state. The map below shows the distribution of the 38 remaining unauditible governments.



What are they?

Most are very small governments.



What's next?

SAO continues outreach and action

The two governments that have received a Report on Unauditable Government, King County Drainage District No. 5 and Skagit County Dike District No. 19, have been referred to the state Attorney General's Office for possible legal action.

We continue to work with governments that have not been audited.

“The good news is most governments do the right thing by providing their financial information and being audited regularly. However, there is a small group that has not met their legal requirements to be transparent and accountable, and it is my goal to bring every one of those governments into compliance,” said State Auditor Pat McCarthy.

What you can do

Local governments and citizens can encourage unauditable governments to return to compliance with state law. Many of the leaders of these small governments are responsive to both the people they serve and to neighboring governments. A call, a letter or a conversation can make a difference.

Please contact our Office if you have concerns or questions about government transparency. You can call or email Director of Local Audit Kelly Collins at (360) 902-0091 or Kelly.Collins@sao.wa.gov.

