

Washington State Auditor's Office
Accountability Audit Report

**Washington State Transit Insurance
Pool**
Thurston County

Report Date
December 17, 2013

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WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

December 23, 2013

Board of Directors
Washington State Transit Insurance Pool
Olympia, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Pool 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 Washington State Transit Insurance Pool'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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Thurston County
December 17, 2013**

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Audit Summary

Washington State Transit Insurance Pool Thurston County December 17, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington State Transit Insurance Pool from January 1, 2012 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the Pool. We also determined whether the Pool 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:

- Solvency
- General revenue
- Claims monitoring internal controls
- Payroll internal controls
- Cash receipting internal controls
- Disbursements internal controls

RESULTS

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

Related Reports

**Washington State Transit Insurance Pool
Thurston County
December 17, 2013**

FINANCIAL

Our opinion on the Pool's financial statements is provided in a separate report, which includes the Pool's financial statements.

Description of the Pool

Washington State Transit Insurance Pool Thurston County December 17, 2013

ABOUT THE POOL

The Washington State Transit Insurance Pool was formed by an inter-local agreement in 1989 to provide self-insurance and risk management for its transit members. The Pool coordinates the purchase of joint insurance and the hiring of personnel to provide risk management, claims-handling and administrative services. The Pool is committed to reducing members' cost of risk through the delivery of comprehensive and innovative risk management services. There is a 25-member Board of Directors composed of representatives from each member transit agency that meets on a quarterly basis.

An elected, eight-member Executive Committee governs the Pool. The Executive Committee appoints management to oversee the Pool's daily operations as well as its 12 employees. For 2012, the Pool operated on an annual budget of \$10 million.

ELECTED OFFICIALS

These officials served during the audit period:

Executive Committee:

Corey Aldridge
Terence Artz
Nick Covey
Ben Foreman
Tom Hingson
Ed McCaw
Ken Mehin
Dale O'Brien

APPOINTED OFFICIALS

Executive Director
General Counsel

Allen Hatten
Ronald A. Franz

POOL CONTACT INFORMATION

Address: Washington State Transit Insurance Pool
2629 12th Court S.W.
Olympia, WA 98502

Phone: (360) 586-1800

Website: www.wstip.org

AUDIT HISTORY

We audit the Pool annually. Audit concerns are often discussed, addressed and resolved before completion of our audit. As a result, the Pool has been free of findings since its inception in 1989.



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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