

# Entrance Conference

City of Redmond



Office of the  
Washington  
State Auditor  
Pat McCarthy

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June 10, 2025

*Disclaimer: This presentation is intended to be viewed in conjunction with the complete packet of entrance materials provided. A copy of those materials may be requested by contacting the presenters listed or by emailing [PublicRecords@sao.wa.gov](mailto:PublicRecords@sao.wa.gov).*

# Audits that Matter



## Accountability

### Financial

Performance Audits

Cybersecurity Audits

Unauditable  
Governments

Citizen Hotlines

### Federal

Fraud/ Whistleblower  
Investigations

Other Engagements



Pat McCarthy  
State Auditor

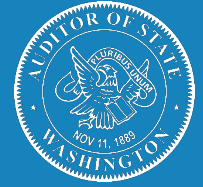
2,724 audits conducted  
(July 1, 2023 – June 30, 2024)

# Accountability Audit

January 1, 2022 through December 31, 2023

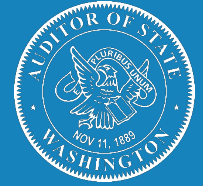
We will be using a risk-based audit approach for the City.

Upon completion of our planning procedures, we will select accountability areas to test and notify the City about our selection.



# Financial Statement Audit

January 1, 2023 through December 31, 2023



## Opinion Issuance

- Opinion will be issued in accordance with U.S. GAAP
- Audit conducted in accordance with *Government Auditing Standards*

## Internal Control and Compliance over Financial Reporting

- Assess adequacy of accounting and financial statement preparation processes at preventing material misstatements
- Identify whether there are instances of material noncompliance

# Federal Grant Compliance Audit

January 1, 2023 through December 31, 2023



## Opinion Issuance

- Opinion will be issued in accordance with *Government Auditing Standards* and the Uniform Guidance

## Internal Control and Compliance over Major Programs

- Assess adequacy of federal grant processes at preventing non-compliance
- Identify whether there are instances of material non-compliance

# Levels of Reporting



Findings

Management  
letters

Exit items

# Important Information

Confidential  
Information

Audit Costs

Audit  
Dispute  
Process

Loss  
Reporting



# Reporting Cybersecurity Issues

## Reporting to the Attorney General's Office (AGO)

- Reporting required for single security incidents affecting >500 Washington residents
- Find out more about reporting requirements and how to report at [www.atg.wa.gov/data-breach-notifications](http://www.atg.wa.gov/data-breach-notifications)

## Reporting to the State Auditor's Office (SAO)

- Reporting may be required for cyber-security events involving financial records or finances, regardless of number of affected parties.
- To learn more, please visit <https://sao.wa.gov/has-your-government-experienced-a-cybersecurity-issue-here-is-when-and-how-to-report/>



# Peer Reviews of Washington State Auditor's Office



## *“Who audits the State Auditor?”*

- To ensure our audits satisfy government auditing standards, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA)
- Most recent peer review results are available online at [www.sao.wa.gov/about-sao/who-audits-the-auditor/](http://www.sao.wa.gov/about-sao/who-audits-the-auditor/)
- Rating received: “Pass”, the highest level of assurance that an external review team can provide

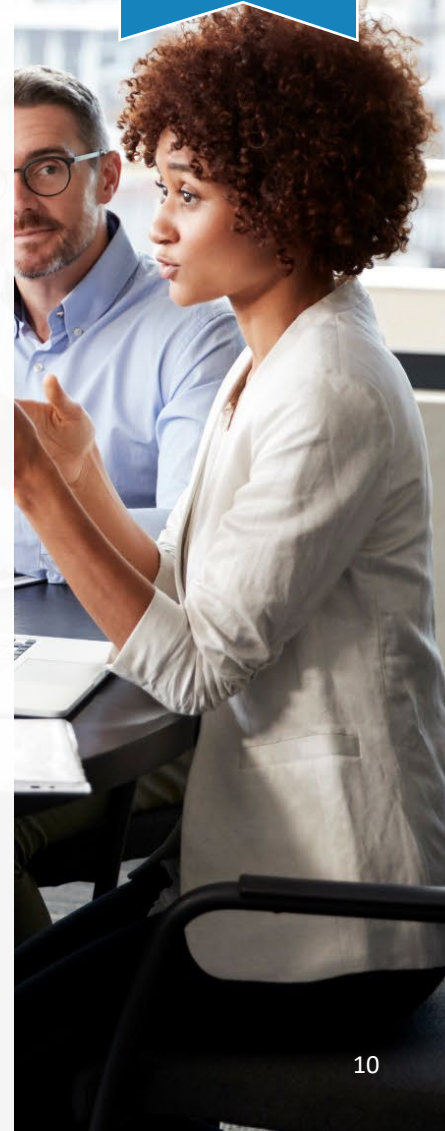
# Working Together to Improve Government

## Local Government Support Team

- BARS & Annual Online Filing
- Accounting and Reporting Training
- Client portal, including helpdesk

## The Center for Government Innovation

- Free tools, resources and services to help you solve problems and improve operations.



# SAO's Center for Government Innovation offers:



- **Cyber checkups** to assess your government's vulnerability to common cybersecurity threats
- **Customized Lean facilitations & trainings** to help you improve how work gets done
- **Teambuilding workshops** to help you strengthen your team, increase trust, and promote workplace harmony
- **Financial Intelligence Tool (FIT)** data to help you monitor your government's financial health



Contact the Center today! 564-999-0818 ▪ [center@sao.wa.gov](mailto:center@sao.wa.gov) ▪ [www.sao.wa.gov/](http://www.sao.wa.gov/)

# Questions?



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