



King County

April 25, 2007

The Honorable Brian Sonntag, State Auditor
Legislative Building
PO Box 40021
Olympia, Washington 98504-0021

Dear Mr. Sonntag:

We appreciated your letters of January 19, 2007 apprising us of your office's plans to conduct performance audits of overtime practices and take home vehicles in King County. This letter is to advise you of the county's audit liaisons for your office to coordinate with during your audits that involve King County government. We also want to express our support of performance audits and, in that regard, we agree with the goals and objectives that have been mutually developed by your office and the Washington State Local Government Auditors' Association.

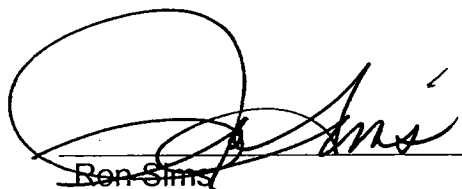
Please note that the executive branch internal auditor, David Lawson, and the county auditor, Cheryle Broom, are our liaisons for performance audits of King County. David and Cheryle are available to meet with appropriate managers from your office to facilitate communications and coordination to help ensure your audit objectives are achieved. Moreover, they can advise how to effectively facilitate the work of your auditors in King County government consistent with the intent of Initiative 900 (I-900), government auditing standards, and the attached goals and objectives. These objectives were revised to be specific to coordination between the State Auditor's Office and King County. In some cases, the protocols reflected in the goals and objectives may be modified if an audit involves the county's court systems or agencies headed by separately elected county officials.

It is our understanding that four State Auditor's audits involving King County are envisioned: 1) Public Records Request which is underway across several jurisdictions; 2) Take Home Vehicles which may be getting underway shortly; 3) Overtime Practices which is in the scoping phase; and 4) Brightwater Treatment Capital Project which will be conducted by a contractor pending a Request for Proposal process that will be undertaken later this year. The expectations of I-900 include providing for a public hearing by the county's legislative body within 30 days of public release of the State Auditor's Office final audit report. That report will incorporate the county's response to

the audit and will have been provided in advance to the executive, councilmembers, and any other affected county public officials. Given the coordination required to schedule public meetings and to elicit audit responses, we encourage ongoing proactive communications throughout the audit process so the audits can be timely, informative to the public, and useful to county government.

We recognize that your new mandate to conduct performance audits of state and local jurisdictions is significant and challenging. King County has been conducting performance audits since 1970. We appreciate their independence, their rigor, and the value they add to county government. As you implement performance audits in our jurisdiction, we will endeavor to work with you and your organization to achieve these same outcomes.

Sincerely,



~~Ben Sims~~
King County Executive



Larry Gossett, Chair
Metropolitan King County Council

Attachment: Proposed Goals and Objectives between the State Auditor's Office (SAO) and King County (KC) Regarding SAO's Performance Audits of KC

cc: King County Councilmembers
Separately Electeds
State Auditor's Office Management
Executive Branch Cabinet Members
Ross, Baker, Chief of Staff, King County Council
Mike Alvine, Lead Staff, General Government and Labor Relations Committee
David Lawson, Manager, Executive Audit Services
Cheryle Broom, County Auditor

**Proposed
Goals and Objectives between the State Auditor's Office (SAO) and King County
(KC) – Regarding SAO's Performance Audits of KC¹**

These goals and objectives are intended to promote professional relationships and open communications throughout the SAO's performance audit processes involving King County government. This includes an acknowledgement that the SAO must remain independent, and a recognition that the King County Auditor's Office (KCAO) is also independent per *Government Auditing Standards*. Similarly, it is understood that, in a manner that fully complies with state law, SAO will maintain confidentiality over non-disclosable information during the audit process.

The intent of this document is for the King County Auditor (county auditor) and the Internal Audit Manager of Executive Audit Services (internal auditor) to support, as appropriate and resources permit, the SAO in its conduct of local government performance audits.² This includes coordination to avoid duplication, to facilitate an efficient audit process, and to promote the value of rigorous performance audits.

Key Activities to Meet Goals and Objectives:

1. SAO Performance Audit Plan – Meeting of SAO managers and local government auditors, including King County's county auditor and internal auditor

The county auditor and the internal auditor welcome the opportunity to discuss audit plans with the SAO and share ideas on audit topics and approaches on an annual or other cyclical basis. This may coincide with an annual "lessons learned" meeting of the SAO and WSLGAA.

2. Plans for Individual Audits – SAO management, county auditor, and internal auditor

As SAO performance audit plans for King County are developed, SAO performance audit management, the county auditor, and the internal auditor shall coordinate to share ideas and prior work that may be relevant.

3. Pre-entrance Communication – SAO central and/or local SAO team, county auditor, and internal auditor

Prior to the official start of an audit, a meeting will be organized for SAO field staff and potentially SAO central management staff, county auditor, and internal auditor to review these goals and objectives, planned audit scope and objectives, contacts and liaisons, and any other work or coordination relevant to the audit. The meeting will

¹ These goals and objectives between the SAO and the King County Auditor and Internal Auditor are based on and consistent with the document mutually developed between the SAO and the Washington State Local Government Auditors' Association (WSLGAA).

² The reference to the county auditor and internal auditor includes their designees.

include discussing how and to what extent local government auditors may support SAO field staff as they conduct their audit.

4. Performance Audit Notification Letters – SAO to county executive and council chair

Copies of performance audit notification letters will also be sent to the county auditor and the internal auditor who will assist county government in preparing for and expediting the SAO's audit.

5. Entrance Conference – SAO and audited entity

The county auditor and the internal auditor will be invited to the entrance conference in order to better understand the audit's scope and help facilitate the audit process, as appropriate.

6. Audit Progress Meetings – SAO and audited entity

Along with other interested parties, the county auditor and the internal auditor will meet once a month or on a more frequent as-needed basis with the local SAO audit team to discuss issues and progress on individual audits. The county auditor and the internal auditor are available to assist if requested, if appropriate, and as resources permit. For example, they may facilitate access to sources and with early notification of emergent issues, expedite resolution or corrective action.

7. Sharing Drafts – SAO

The county auditor and the internal auditor shall be included in discussions regarding draft audit findings and recommendations. They will promote timely audit review and follow-up on recommendations.

8. Reviewing Draft Reports – SAO

The county auditor and the internal auditor will be provided an opportunity to review drafts before or as they are provided to our audited entity or organizations.

9. Exit Conference – SAO and audited entity

The county auditor and the internal auditor will be invited to exit conferences.

10. Providing Formal Comments to Final Report – Appropriate county officials

The internal auditor and/or the county auditor shall coordinate with the appropriate audited entity or entities on the county's response to the SAO's audit report.

11. Presenting and Publishing the Report – SAO and county officials receiving the report

In advance of the report being released to the public, the county auditor and the internal auditor shall receive a copy of the final report that incorporates responses and auditor comments to them.

When SAO performance audits are to be presented at public meetings of the county council, the county auditor and the internal auditor shall help coordinate that process with the appropriate parties.

12. Annual Follow-up on Audit Recommendations – SAO and responsible county officials

The county auditor and the internal auditor shall help coordinate the follow-up and annual reporting process with appropriate parties in the legislative and executive branches.

13. Annual "Lessons Learned" Meeting – SAO and WSLGAA

In the spirit of continuous improvement, the SAO and the WSLGAA shall meet annually to discuss what went well in the past year and improvements that could be made in the following year. The county auditor and the internal auditor will participate in this review.