

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**Washington Cities Insurance Authority**  
**King County**

Report Date  
**November 22, 2012**

**Report No. 1011038**

Issue Date  
**December 30, 2013**



WASHINGTON  
**TROY KELLEY**  
STATE AUDITOR



**Washington State Auditor  
Troy Kelley**

December 30, 2013

Board of Directors  
Washington Cities Insurance Authority  
Tukwila, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your Authority 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 Cities Insurance Authority'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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King County  
November 22, 2013**

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# **Audit Summary**

**Washington Cities Insurance Authority  
King County  
November 22, 2013**

## ***ABOUT THE AUDIT***

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

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

- Compliance with applicable laws and regulations
- Payments/expenditures
- Solvency

## ***RESULTS***

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

## **Related Reports**

**Washington Cities Insurance Authority  
King County  
November 22, 2013**

### ***FINANCIAL***

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

# Description of the Authority

## Washington Cities Insurance Authority King County November 22, 2013

### **ABOUT THE AUTHORITY**

Washington Cities Insurance Authority was formed to provide member cities, towns and inter-local entities with comprehensive and economical liability coverage. The Authority helps members to reduce the amount and frequency of losses and to decrease the cost incurred in the handling and litigation of claims. Subsequently, the Authority has expanded into a group property insurance program and a group purchase fidelity insurance program. The Authority administers a joint protection program through which the members jointly pool and self-insure losses and claims, and jointly purchase excess insurance.

A Board of Directors governs the Authority's operations. The Board is composed of one representative from each member city, town and interlocal entities. The Board appoints management to oversee the Authority's daily operations as well as its 19 employees. For 2012, the Authority had annual operating expenses of approximately \$35 million.

### **APPOINTED OFFICIALS**

These officials served during the audit period:

Board of Directors:

Brenda Heineman, President  
Jared Burbidge, Vice President  
Allen Johnson  
Arlene Fisher  
John Caulfield  
David Timmons  
Stan Strebel  
Paul Loveless  
Joan Durgin

Executive Director  
Deputy Director  
Director of Insurance Programs  
Director of Claims/Litigation

Lewis Leigh  
Jill Marcell  
Eric Larson  
Ann Bennett

## ***AUTHORITY CONTACT INFORMATION***

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P.O. Box 88030  
Tukwila, WA 98138-2030

Phone: (206) 575-6046

Website: [www.wciapool.org](http://www.wciapool.org)

## ***AUDIT HISTORY***

We audit the Authority annually. The Authority has been free of findings for the past 10 years.



## **ABOUT THE STATE AUDITOR'S OFFICE**

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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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**Deputy Director of Communications**  
**Local Government Liaison**  
**Public Records Officer**  
**Main number**  
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