

Washington State Auditor's Office
Accountability Audit Report

Olympic Educational Service District
No. 114
Kitsap County

Report Date
February 17, 2011

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March 7, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

March 7, 2011

Board of Directors
Olympic Educational Service District No. 114
Bremerton, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District 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 Olympic Educational Service District No. 114'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,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Kitsap County
February 17, 2011

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Audit Summary

Olympic Educational Service District No. 114 Kitsap County February 17, 2011

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Olympic Educational Service District No. 114 from September 1, 2009 through August 31, 2010.

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

- Risk pools
- Credit card use
- Authority for activities
- Payroll
- Disbursements
- Cash receipting

RESULTS

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

Related Reports

**Olympic Educational Service District No. 114
Kitsap County
February 17, 2011**

FINANCIAL

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

Description of the District

Olympic Educational Service District No. 114 Kitsap County February 17, 2011

ABOUT THE DISTRICT

Olympic Educational Service District No. 114 provides services to Kitsap, Mason, Jefferson and Clallam counties. It offers numerous educational programs, which include special education, Head Start, detention centers, youth substance abuse and treatment counseling, instructional materials for the Workforce Investment Act and technical assistance through the Western Regional Data Center to 20 school districts.

A seven-member Board of Directors governs the District. Board Members are elected at large by their respective local school boards. The Board appoints a Superintendent to oversee the District's daily operations as well as its approximately 317 employees. For 2009 and 2010, the District operated on annual budgets of \$16 million and \$15.5 million, respectively

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Dean Kiess
Ray Ondracek
Katie Proteau
Karen Sorger
Donn Ring
Jean Wasson

Note: One Board position was vacant during the school year.

APPOINTED OFFICIALS

Superintendent

Walt Bigby

DISTRICT CONTACT INFORMATION

Address: Olympic Educational Service District No. 114
105 National Ave. N.
Bremerton, WA 98312-3537

Phone: (360) 479-0993

Website: www.oesd.wednet.edu

AUDIT HISTORY

We audit the District on a yearly basis. Management has been very responsive to prior audit recommendations. Because of its assertive style of problem solving, the District has only had one finding in the past 14 years. We believe this reflects the District's desire and commitment to maintain a strong financial system.



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.

Our mission is to work in cooperation 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 our 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 continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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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