

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

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**United Schools Insurance Program**  
**Grant County**

Report Date  
**June 10, 2014**

**Report No. 1012309**

Issue Date  
**August 4, 2014**



**Washington State Auditor**  
**Troy Kelley**

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Independence • Respect • Integrity



## Washington State Auditor Troy Kelley

August 4, 2014

Board of Directors  
United Schools Insurance Program  
Ephrata, 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 United Schools Insurance Program'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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Grant County  
June 10, 2014**

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# Audit Summary

## United Schools Insurance Program Grant County June 10, 2014

### *ABOUT THE AUDIT*

This report contains the results of our independent accountability audit of the United Schools Insurance Program from September 1, 2012 through August 31, 2013.

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:

- Reinsurance policy compliance

### *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**

**United Schools Insurance Program  
Grant County  
June 10, 2014**

***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**

### **United Schools Insurance Program Grant County June 10, 2014**

#### ***ABOUT THE POOL***

The Eastern Washington School District Insurance Group was formed through an inter-local agreement in 1985 to allow the joint purchase of insurance, joint self-insuring, joint hiring or contracting for risk management services and purposes, and claims administration. On March 15, 2004, the group changed its name to the United Schools Insurance Program. The Pool has approximately 156 member districts. The Pool is regulated by the Local Government Self-Insurance Program Division of the state Department of Enterprise Services.

An elected, nine-member Board of Directors governs the Pool. Board Members serve staggered, three-year terms. The Pool has no employees of its own, but contracts with a private firm for claims administration and risk management services. For 2013, the Pool's operating expenses were approximately \$11.7 million.

#### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Directors:

Brian Talbott  
Paul Turner  
Burton Dickerson  
John Adkins  
Jim Forrest  
Henry Strom  
Jason Thompson (through June 2013)  
Connie Kliewer (effective December 2012)  
Bill Wadlington (effective July 2013)

Note: Rob Friese joined the Board in December 2013.

## ***POOL CONTACT INFORMATION***

Address: United Schools Insurance Program  
451 Diamond Drive  
Ephrata, WA 98823

Phone: 509-754-2027

Website: [www.usipwa.us](http://www.usipwa.us)

## ***AUDIT HISTORY***

We perform an accountability audit of the Pool annually; however, prior to 2011 we performed the Pool's accountability audits on a two-year cycle. The last seven accountability audits have been free of findings, as is the current audit.



## **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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**Mary Leider**  
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