



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Tacoma Employees Retirement System

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this document is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Financial statement audit for January 1, 2019 through December 31, 2019 - see draft report.
- Comprehensive Annual Financial Report opinion letter – see letter.

Audit Highlights

We would like to thank Tacoma Employees' Retirement System (TERS) staff for their cooperation and timely response to our requests during the audit.

We would like to thank the Retirement Director, Assistant Director and staff for making every effort to provide us with requested reports and supporting documentation in a timely manner, especially during this difficult time period of working remotely.

As observed during fieldwork, Retirement System staff work diligently to foster a strong culture of internal controls and have a strong commitment to fiscal accountability and accurate financial reporting.

Communications required by audit standards

In relation to our financial statement audit report, we would like to bring to your attention:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

Management Representation Letter

We have included a copy of representations requested of management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$37,000 and actual audit costs will approximate that amount. We are including the cost of the Schedule audit which will take place in October 2020.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in April 2021 and will cover the following general areas:

- Financial Statement audit including Comprehensive Annual Financial Report Opinion Letter
- Financial Schedule audit

The estimated cost for the next audit based on current rates is \$38,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, Kelly.Collins@sao.wa.gov

Mark Rapozo, CPA, Assistant Director of Local Audit, (564) 999-0794 Mark.Rapozo@sao.wa.gov

Joanne Klein, Audit Manager, (253) 290-7503, Joanne.Klein@sao.wa.gov

Linda Mastin, Assistant Audit Manager, (253) 290-9413, Linda.Mastin@sao.wa.gov

David Smolko, Audit Lead, (253) 593-2047, David.Smolko@sao.wa.gov