

Washington State Auditor's Office
Accountability Audit Report

**King County Public Hospital District
No. 1
(Valley Medical Center)**

Report Date
October 19, 2011

Report No. 1006708

Issue Date
November 14, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

November 14, 2011

Board of Commissioners
Valley Medical Center
Renton, 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 Valley Medical Center'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

Table of Contents

**Valley Medical Center
King County
October 19, 2011**

Audit Summary 1

Related Reports 2

Description of the District 3

Audit Summary

**Valley Medical Center
King County
October 19, 2011**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Valley Medical Center from January 1, 2010 through December 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:

- Open public meetings
- Cash receipting
- Accounts receivable
- Procurement – purchases
- Procurement – public works projects
- General disbursements

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

**Valley Medical Center
King County
October 19, 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 program, which is listed in the Federal Summary section of the financial statement and single audit report.

Description of the District

Valley Medical Center
King County
October 19, 2011

ABOUT THE DISTRICT

King County Public Hospital District No.1 operates as Valley Medical Center and is the oldest and largest public hospital district in Washington State. The District employs more than 1,700 people and is licensed to operate a 303-bed hospital and 12 community clinics throughout King County. Operating revenue exceeded \$390 million in 2010. The District is governed by a publicly elected, five-member Board of Commissioners.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

President

Vice President

Secretary

Sue Bowman

Carolyn Parnell

Don Jacobson

Anthony Hemstad

Aaron Heide

APPOINTED OFFICIALS

Chief Executive Officer/Superintendent

Chief Financial Officer

Vice President of Finance

General Counsel

Rich Roodman

Larry Smith

Jeannine Grinnell

David Smith

DISTRICT CONTACT INFORMATION

Address: Valley Medical Center
P.O. Box 50010
Jeannine Grinnell – Vice President of Finance
Renton, WA 98055

Phone: (425) 228-3450

Website: www.valleymed.org

AUDIT HISTORY

We audit the District annually. This is the 10th consecutive year that no findings have been reported.



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 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.

State Auditor
Chief of Staff
Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
Jerry Pugnetti
Chuck Pfeil, CPA
Larisa Benson
Jim Brittain, CPA
Jan Jutte, CPA, CGFM
Ivan Dansereau
Mike Murphy
Mindy Chambers
Mary Leider
(360) 902-0370
(866) 902-3900

Website
Subscription Service

www.sao.wa.gov
<https://www.sao.wa.gov/EN/News/Subscriptions/>