

**Washington State Auditor's Office**

**Accountability Audit Report**

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

Report Date  
**November 9, 2012**

**Report No. 1008789**

Issued **December 17, 2012**  
Reissued **December 18, 2012**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

December 18, 2012

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

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King County  
November 9, 2012**

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# **Audit Summary**

**Valley Medical Center  
King County  
November 9, 2012**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of Valley Medical Center from January 1, 2011 through December 31, 2011.

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
- Procurement – public works projects
- Compensation of public officials
- Bond compliance
- 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  
November 9, 2012**

### ***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 November 9, 2012

### **ABOUT THE DISTRICT**

King County Public Hospital District No.1 operates as Valley Medical Center (VMC) and is the oldest and largest public hospital district in Washington State. The District employs more than 2,800 people and is licensed to operate a 303-bed hospital. In addition to the hospital, VMC operates a network of more than two dozen primary care, urgent care, and specialty clinics throughout Southeast King County. Operating revenue exceeded \$415 million in 2011. 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:	Sue Bowman, President Carolyn Parnell, Vice President Don Jacobson, Secretary Anthony Hemstad Aaron Heide
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### **APPOINTED OFFICIALS**

Board of Trustees:	Lisa Jensen, Chair (beginning July 2011) Peter Evans, Vice Chair (beginning July 2011) Johnese Spisso (beginning July 2011) Bernie Dochnahl (beginning October 2011) Julia Patterson (beginning December 2011) Beverly Fletcher (beginning December 2011) Gary Kohlwes (beginning December 2011)
Chief Executive Officer-Superintendent	Rich Roodman
Chief Financial Officer	Larry Smith
Vice President of Finance	Jeannine Grinnell
General Counsel	David Smith

## ***DISTRICT CONTACT INFORMATION***

Address: Valley Medical Center  
P. O. Box 50010  
Renton, WA 98055

Phone: (425) 228-3450

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

## ***AUDIT HISTORY***

We audit the District annually. This is the 11th consecutive year that no findings have been reported.



## **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.

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.

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**Local Government Liaison**  
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**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
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