



**Local Government Self-Insurance Program
Examination Report
for
Washington Counties Risk Pool**

May 8, 2008

Independent Examiner's Report

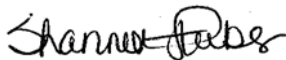
Mr. Vyrle Hill, Executive Director
Washington Counties Risk Pool
2558 R.W. Johnson Rd SW
Suite 106
Tumwater, WA 98512-6103

Dear Mr. Hill:

We have examined the Pool's compliance with RCW 48.62, WAC 82.60 and current guidelines established by the State Risk Manager for the years ended September 30, 2004, 2005, 2006 and 2007. The accuracy of information provided by Washington Counties Risk Pool (WCRP) is the responsibility of the Pool's management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to examinations contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we examine, on a test basis, evidence supporting compliance and that we perform such other procedures as we consider necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, Washington Counties Risk Pool has complied, in all material respects, with laws, regulations and guidelines established by the State Risk Manager as set forth above.



Shannon Stuber
Program Administrator
Local Government Self Insurance Program
Office of Financial Management

Examination Summary

**Washington Counties Risk Pool
Tumwater, Washington
May 8, 2008**

Our Examination

This report contains the results of our independent compliance examination of Washington Counties Risk Pool (WCRP).

We performed procedures to determine whether the Pool complied with state laws and regulations, in addition to guidelines adopted by the State Risk Manager. The areas examined were selected based on an analysis of financial trends and transactions from the period October 1, 2003 through September 30, 2007.

Examination Results

The Pool complied with state laws and regulations and guidelines adopted by the State Risk Manager. Our report contains no findings or other communications to the management or Board of WCRP.

Examiner's Remarks

We appreciate the cooperation and assistance of the staff and management of WCRP during our examination.

Areas Examined

Washington Counties Risk Pool Tumwater, Washington May 8, 2008

We examined the Pool's compliance with state laws and regulations, in addition to guidelines adopted by the State Risk Manager in the following areas:

- Claims Audits
- Actuarial Study
- Member Assessments
- Insurance Coverage
- Unreserved Equity
- Member Agreements & Bylaws
- Elections and Governance
- Communication with Members
- Membership Criteria & Programs
- Contracts & Competitive Process
- Compliance with Financial Guidelines
- Evaluation of Financial Trends
- Reporting of Liabilities
- Submission of Timely Quarterly and Annual Reports

We examined, on a test basis, evidence of compliance with requirements set forth above, and we performed such other procedures as we considered necessary under the circumstances. Our examination does not provide a legal determination on the Pool's compliance with specified requirements.

About the Local Government Self-Insurance Program

The Local Government Self Insurance Program provides initial approval and continuing oversight of joint property and liability self-insurance pools established by local governments per Chapter 48.62 RCW. The State Risk Manager, with assistance from the Property and Liability Advisory Board, adopts guidelines and establishes examination fees and annual assessments to cover administrative costs. Board members are appointed by the governor. The Property and Liability Advisory Board meets quarterly.

Field examiners conduct regularly scheduled examinations to determine whether self-insurance programs comply with state laws and regulations. In addition, adherence to guidelines designed to foster financially sound management practices is also evaluated. Finally, examiners also communicate with local government owner/members to ensure they are informed about the program's financial condition and participate in decisions which affect insurance services provided by their programs. Costs of these examinations are based on the actual time and expense required for program review as provided in RCW 48.62.161.

About the Washington Counties Risk Pool

The Washington Counties Risk Pool (WCRP) was formed by an Interlocal Agreement August 18, 1988, pursuant to Chapters 48.62 and 39.34 RCW.

The WCRP was "created by counties for counties" to provide its member counties with programs including joint self-insurance, joint purchasing of insurance, and joint contracting for or hiring of personnel to provide administrative services, claims handling and risk management.

Since its inception, the Pool has expanded its coverage to include property and public official surety bonds; member services also include various insurance services, training and loss control.

The Pool consists of 28 Member Counties, which together employ approximately 16,500 employees. The Board of Directors, composed of one representative from each Member County, governs the Pool and provides policy direction.