



**Office of the Washington State Auditor  
Pat McCarthy**

October 20, 2020

Commissioner LeVine  
Washington State Employment Security  
PO Box 9046  
Olympia, WA 98507

Commissioner LeVine,

As the independent State Auditor, I am writing to directly address some difficulties the Auditor's Office is having as we conduct regular, legally required audits of the state Employment Security Department.

In an email you sent last week to Director of State Audit and Special Investigations Sadie Armijo, you assert a set of "audit protocols" were agreed upon by both your staff and mine. That is incorrect.

Our auditors conduct their work following generally accepted governmental auditing standards (GAGAS), issued by the U.S. Government Accountability Office. Those are the only protocols we follow. This Office has a unique role, defined in the state Constitution. Under state law, SAO is assured access to any information we need to conduct audits the public depends on.

Our auditors have done their best to consider the preferences ESD has expressed for conducting business. However, ESD's approach has put it on a path to a scope limitation as defined under GAGAS.

Section 9.12 states: "*Auditors should describe the scope of the work performed and any limitations, including issues that would be relevant to likely users, so that report users can reasonably interpret the findings, conclusions, and recommendations in the report without being misled. Auditors should also report any significant constraints imposed on the audit approach by information limitations or scope impairments, including the denial of, or excessive delays in, access to certain records or individuals.*"

As of this writing, the ESD is imposing significant constraints. For example, ESD currently claims a need to know a "business need" or "business reason" before allowing auditors to interview key employees without ESD's internal auditors being present. ESD also is delaying access to relevant documents. If ESD continues on this path, we will report that management interference prevented us from fully completing the audits.

It is in the best interest of Washingtonians that ESD approach these audits in the spirit of accountability and transparency. These ends can be achieved only if ESD quickly alters its posture.

Respectfully,

Pat McCarthy  
**Washington State Auditor**