



20.30

Suspected Losses of Public Funds or Property

20.30.10

July 1, 2008

Why are loss procedures important?

In the event of the suspected loss of public funds or property, it is important that correct procedures are followed in order to:

- Minimize the loss.
- Ensure that investigations are not hampered.
- Ensure that improvident settlements are not made.
- Ensure that bond claims are not jeopardized.
- Ensure that incorrect personnel actions are not taken.
- Comply with RCW 43.09.185 and immediately report losses to the Office of State Auditor (SAO).
- Comply with RCW 43.09.330 and include the SAO and the Office of the Attorney General in any loss settlement.

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What are the procedures an agency should follow upon suspicion of a loss?

Each agency should follow applicable procedures in this section in a timely manner. Additionally, each agency should establish formal notification procedures to notify appropriate agency personnel when someone suspects a loss of public funds or property.

20.30.20.a

Appropriate personnel not involved in the suspected loss should be notified prior to contacting the outside agencies. This may include the agency head or deputies, chief financial officer or internal auditor depending upon the circumstances.

Internal Control and Auditing

- 20.30.20.b The agency's Assistant Attorney General (AAG) should be consulted on incidents involving the suspected loss of public funds or property, when the nature or facts of the incident warrant such discussion for the purpose of acquiring legal advice. It is best to establish, in advance and in writing, with the agency's assigned AAG appropriate general procedures to follow upon learning of a suspected loss of public funds or property.
- 20.30.20.c Report the suspected loss to SAO using procedures specified in writing by the SAO Audit Manager or designee assigned to your agency. Or, if no agreement exists, immediately notify SAO of the suspected loss. For more information on reporting to the SAO, refer to their website at: <http://www.sao.wa.gov>.
- 20.30.20.d Report the suspected loss to the Office of Financial Management, Risk Management Division.
- 20.30.20.e If the suspected loss involves the health or safety of state employees or property, or the agency is so advised either by the Attorney General's Office or SAO, contact the appropriate local or state law enforcement officials.
- 20.30.20.f Protect any pertinent records, regardless of format (i.e., paper, electronic, etc.), from destruction or manipulation.