



Office of the Washington State Auditor  
Pat McCarthy

Accountability Audit Report

**Cultural Development Authority of  
King County  
(4Culture)**

For the period January 1, 2017 through December 31, 2018

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

December 19, 2019

Board of Directors  
4Culture  
Seattle, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the Authority's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Authority operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

### About the audit

This report contains the results of our independent accountability audit of the 4Culture from January 1, 2017 through December 31, 2018.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended December 31, 2018 and 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Financial condition and fiscal sustainability
- Electronic fund transfers – evaluated design of controls
- Project grants monitoring
- Investment accounts

## RELATED REPORTS

### **Financial**

Our opinion on the Authority's financial statements is provided in a separate report, which includes the Authority's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE AUTHORITY

The Cultural Development Authority of King County, doing business as 4Culture, was established January 1, 2003, by the King County Council. The Authority was established to further the goals and objectives of the King County Comprehensive Plan, to establish cultural resource policies and to operate in a manner that ensures King County citizens and visitors have access to high-quality cultural programs and experiences. The Authority operates under a charter, which provides the articles of organization for the Authority. The charter and all amendments were adopted by King County.

The Authority's Board of Directors is composed of 15 directors and five ex officio members. The Directors are appointed by the King County Executive and subject to confirmation by the King County Council. The ex officio members are three designated King County Council Members, one designated County Executive staff member, and the Authority's Executive Director.

The Authority administers public art programs, cultural programs and funding programs in arts and heritage, including cultural education, sustained support, cultural facilities and special projects, supported by a portion of King County's hotel/motel tax. In 2018, the Authority's expenditures totaled approximately \$16 million. The Authority is predominantly funded by King County hotel/motel taxes and King County One Percent for Art revenues. The One Percent for Art revenue is derived from financing for King County construction projects. The Authority uses that money to purchase and commission public art on behalf of King County and provide management services for the County's art collection.

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*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for the 4Culture at <http://portal.sao.wa.gov/ReportSearch>.

## 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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