

**Schumaker & Company**



**Report  
for the  
State of Washington Office of Financial Management (OFM)**

**To Provide  
Performance Audit Services  
Involving  
Washington State Employee Whistleblower Program  
For Audit Period July 1, 2014 to June 30, 2016**

**RFQQ NUMBER 16-1100**

**December 20, 2016**



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    Recommendation III-3      Develop a plan to revise the Style Guide to incorporate Microsoft Word features. (Refer to Finding III-7.) ..... 45

    Recommendation III-4      Address minor discrepancies found by Schumaker & Company by establishing procedures for use in future. (Refer to Finding III-8.) .. 46

    Recommendation III-5      Perform activities to influence the Legislature to change Washington’s Whistleblower definition. (Refer to Finding III-5 and Finding III-9.) ..... 46

    Recommendation III-6      Continue to enhance Whistleblower outreach activities. (Refer to Finding III-10.) ..... 46

## I. Executive Summary

This chapter summarizes the Office of Financial Management (OFM) project scope and the project approach/methodology that Schumaker & Company applied to conduct this performance audit of the State of Washington Employee Whistleblower Program (Whistleblower Program), which is part of the Washington State Auditor Office (SAO).

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### A. Project Scope

We proposed to conduct this audit based on a three-step review process, which was custom tailored to meet OFM's objectives, which included identifying program improvements for the following areas, for audit period July 1, 2014 to June 30, 2016:

- ◆ Whether the program is acquiring, protecting and using its resources such as personnel, property, and space economically and efficiently
  - ◆ The cause of inefficiencies or uneconomical practices
  - ◆ Whether the program has complied with laws and rules on matters of economy and efficiency
  - ◆ The extent to which the desired results or benefits established by the legislature are being achieved
  - ◆ The effectiveness of the program
  - ◆ Whether the staff have complied with significant laws and rules applicable to the program
  - ◆ The appropriate procedures are in place to ensure confidentiality of the source documents
- 

### B. Project Approach/Methodology

Our process provided the Schumaker & Company project team with a structured approach that was comprehensive and logical, as well as interactive and participative with SAO's Whistleblower Program management and staff. The process was designed to establish and sustain vital, interactive working relationships among SAO management and staff, focusing on the Whistleblower Program, and the Schumaker & Company project team during the course of a management, operations, and technology performance audit. We have refined this three-step process over many reviews, audits, and studies conducted with the same team members working on this project.

We assembled a project team with a strong working knowledge of government operations, as well as current industry issues. Each individual was carefully selected according to his or her experience, technical expertise, and education in those areas for which he or she is proposed. Our consultants are mature and experienced, with advanced degrees and practical business management experience. They consistently meet high standards of professional competence within their disciplines and have the team skills needed to work collaboratively with client organizations.

Schumaker & Company brings a results-based philosophy to performance audits such as this one. We also place considerable emphasis on SAO participation during the audit. These factors enable SAO to derive maximum benefit from this review. Our project team followed a three-step study process designed to achieve vital, interactive working relationships among SAO management and staff and our project team consultants. Specifically, the three steps were as follows:

- ◆ Step I – Project Orientation and Final Work Plan
- ◆ Step II – Detailed Reviews and Analyses
- ◆ Step III – Draft and Final Report Preparation

## C. Summary of Recommendations

The audit produced six (6) recommendations, which are contained in this report. The actual recommendation statements contained in the audit report are shown in *Exhibit I-1*. We have also indicated the recommendation number, page number in the report, priority, estimated time-frame to initiate implementation efforts, and estimated benefits following implementation. The details of each recommendation can be found in *Chapter III – Findings & Conclusions/Recommendations* where the subject matter is evaluated.

**Exhibit I-1**  
**Summary of Recommendations**

	Description	Page	Implementation	
			Priority	Initiation Time Frame
III-1	Enhance performance metrics by incorporating more than the 365-day statutory deadline target, including incorporation of target to include draft report target at six months to help the WB team complete its investigations more timely.	45	High	0-6 Months
III-2	Increase the number of Investigators on team to more efficiently perform investigations.	45	Medium	0-12 Months
III-3	Develop and plan to revise the Style Guide to incorporate Microsoft Word features.	45	Medium	0-12 Months
III-4	Address minor discrepancies found by Schumaker & Company by establishing procedures for use in future.	46	High	0-6 Months
III-5	Perform activities to influence the Legislature to change Washington's Whistleblower definition.	46	High	0-6 Months
III-6	Continue to enhance Whistleblower outreach activities.	46	Medium	0-12 Months

The numbering of both findings/conclusions and recommendations begins with "III-", as these discussions are included in *Chapter III – Findings & Conclusions/Recommendations*

To assist Whistleblower Program management in developing implementation plans, each recommendation has been assigned a priority of “high,” “medium,” or “low” according to the following criteria:

- ◆ *High* – Designated recommendations are high priority because of their importance and urgency. These represent significant benefit potential, major improvements to service, or substantial improvements to methods or procedures.
- ◆ *Medium* – Designated recommendations are of medium priority. In some instances, the implementation of these recommendations is expected to provide moderate improvements in efficiency of operations, or management methods and performance. In other instances, implementation may provide significant longer-term benefits which are less predictable.
- ◆ *Low* – Designated recommendations reflect a lower priority. In many instances, they should be studied further or implemented sometime during the next few years. Potential benefits are perceived to be either modest or difficult to measure.





## II. Background & Perspective

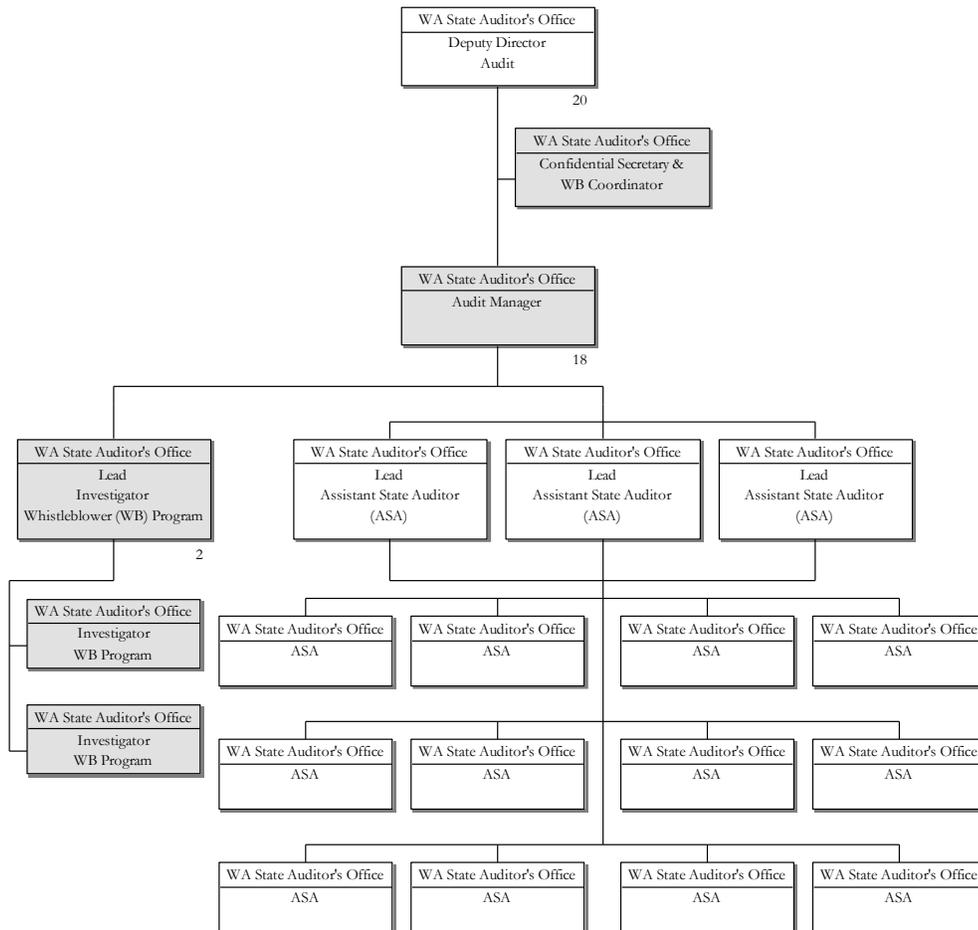
This chapter provides a background and perspective of the Whistleblower Program.

### A. Whistleblower Program Team

#### Organization

Exhibit II-1 illustrates the existing organization for the Whistleblower (WB) Program organization, which is highlighted, and is located in the Washington State Auditor Office (SAO). The Audit Manager of the Single Audit and Whistleblower Program reports to the SAO Deputy Director.

**Exhibit II-1  
Whistleblower Program Organization  
FY2016**



Source: Information Response 1 and Interview 2

Besides single audits, the Audit Manager, also known as the Whistleblower Manager (WB Manager), heads the Whistleblower team (WB team), which includes one Lead Investigator and two Investigators, plus a Whistleblower Coordinator (WB Coordinator), who is the Confidential Secretary reporting to the SAO Deputy Director. The Lead Investigator has daily discussions with Investigators, plus reviews TeamMate information and letters drafted by Investigators. The Lead Investigator also reviews draft reports included in SharePoint before they are finalized. Although Investigators do most of the case investigations, the Lead Investigator also is involved in conducting investigations for selected cases. The WB Coordinator provides administrative support to the WB team, such as summarizing information for the Review Committee (discussed elsewhere in report) and preparing initial letters for the Lead Investigator to review and modify if necessary. The Investigators are responsible for disseminating the 15-day letter, drafted by the WB Coordinator.

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## Intake Process

Washington State law (Revised Code of Washington (RCW) 42.40) defines what can be investigated under the Whistleblower Act. To ensure only investigations are opened that are within SAO's authority, new complaints (previously called referrals) are reviewed and discussed by a Review Committee. Each week the Deputy Director of State Audit convenes the Review Committee of SAO staff responsible for evaluating new whistleblower complaints. The Review Committee is comprised of the following staff:

- ◆ Deputy Director of State Audit
- ◆ WB Manager
- ◆ Manager of Legal Affairs
- ◆ Two representatives from the SAO audit teams selected by the Deputy Director

The Deputy Director of Communications also generally attends the weekly Review Committee meeting, but as a nonvoting member, although the position has been vacant since May 2016. Occasionally Investigators are asked to attend these meetings to provide additional information about a case.

Prior to each Review Committee meeting, the WB team also meets to discuss each complaint, so the WB Manager can take that information to the Review Committee meeting.

Prior to each week's meeting, the WB Coordinator provides Review Committee members a link to a document that is posted on SAO's SharePoint site, which summarizes the new complaints received that week. If Review Committee members want to read the entire complaint, they must contact the WB Coordinator to obtain access. Then during the committee meeting, the WB Coordinator describes each complaint and then a period of open discussion occurs. The members come to a consensus whether to initiate an investigation or reject the complaint. When complaints are closed, the WB Coordinator notes the reason(s) they are rejected, which is documented in the WB Database.

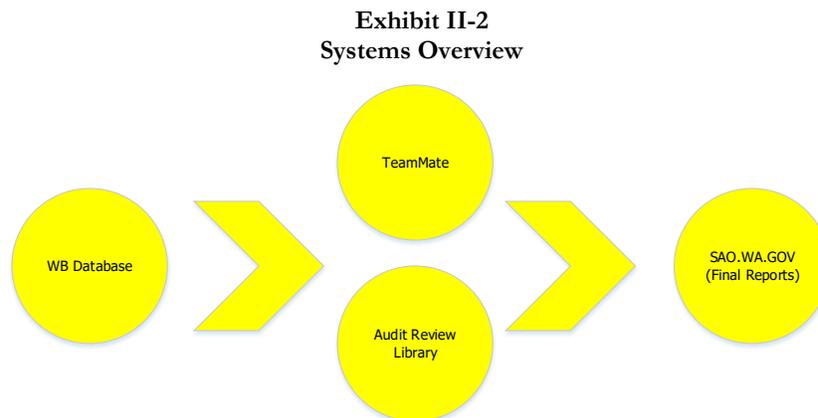
Scheduling conflicts may prevent Review Committee members from attending Whistleblower Review Committee meetings. At least three committee members must be present for the meeting to occur.

One of those members must be able to provide input and guidance from a legal perspective. Currently, the Manager of Legal Affairs provides legal guidance for the committee. When this manager is not available, the WB Manager requests SAO's Assistant Attorney General (AAG) to attend in this manager's place as a non-voting member.

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## Systems

*Exhibit II-2* illustrates the systems used by the WB team regarding complaints, associated work steps, and reports.



Source: Interviews 2, 3, 7, and 13

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### Whistleblower Database

The Whistleblower Database (WB Database) is an internally developed software program that interfaces with the WB external website. When complaints are initially received, information is input into the WB Database. An activity log is also included. It is then used to manage whistleblower complaints, as data from this system is used to continuously update WB performance measures and track the timelines of opened cases. It also includes information regarding rejected complaints, not TeamMate (described in next section), which is used for opened/investigated cases.

### TeamMate

TeamMate is a commercial off-the-shelf (COTS) audit management software package, which is used by the WB team to document investigative work papers. The type of information in TeamMate includes Whistleblower, subject, and agency contact information; investigators; investigative details; and documents. The WB Coordinator is responsible for creating TeamMate files for new investigations. The *testing strategies* for the various TeamMate steps specify which WB staff are responsible to complete (i.e. Coordinator, Investigator, and Manager). Before the file is ready for use, the WB Coordinator completes as much of the profile as possible, including the audit number, so Investigators will have the necessary information needed to complete their *online time summaries*. If the WB Coordinator is not

available to complete these steps, they will be completed or delegated by the WB Manager. The Investigator assigned to the case is responsible for documenting all work in TeamMate.

### **Audit Review Library**

While reports are being developed, they are included in the Audit Review Library (which is a SharePoint site). This allows not only the Investigator to include reports there, but allows others to review the draft reports for eventual finalization of reports.

### **SAO Website**

As discussed later in this report, the Whistleblower final reports can be accessed online at <http://www.sao.wa.gov>.

### **Time & Expense Reporting**

Each WB team member is required to record his or her time at least weekly using an online time reporting system (OLTRS) indicating how many hours were spent each day not only on administrative activities, but also for each investigation being conducted by indicating Agency #, Audit #, and Case #, and associated hours. A monthly report is submitted monthly and is available to the WB Manager for review purposes, plus he also has an Administrative Summary report, which allows him to track such time against an employee's allowed administrative time. Any travel expenses are input to the State's Travel and Expense Management System (TEMS).

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### **Chargebacks to Agencies**

Based on the WB team's time reporting, work performed for state agencies is charge backed to these agencies. Both time (at \$82/hour) and travel expenses, if travel is necessary, are charged back to these agencies. The hourly billing rates are reviewed annually based on SAO's expected budget, and modified, if necessary, to reflect any changes from the prior year. The SAO Financial Services group within the Fiscal Department monitors these figures monthly.

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## **B. Program Overview**

The program's definition of improper governmental actions include actions that result in:

- ◆ Gross waste of public funds or resources
- ◆ Violation of federal or state law or rule, if the violation is not merely technical or of a minimum nature
- ◆ Substantial and specific danger to the public health or safety
- ◆ Gross mismanagement

- ◆ Prevention of the dissemination of scientific opinion or alters technical findings without scientifically valid justification, unless state law or a common law privilege prohibits disclosure.

According to state law, specifically (RCW 42.40.020(6)(b)), the WB team cannot investigate personnel actions:

“Improper governmental action” does not include personnel actions, for which other remedies exist, including but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of the state civil service law, alleged labor agreement violations, reprimands, claims of discriminatory treatment, or any action which may be taken under chapter 41.06 RCW, or other disciplinary action except as provided in RCW 42.40:030.

Instead state employees must contact the Human Rights Commission regarding personnel actions for any complaints for actions against himself or herself, not complaints made by the employee saying someone else was being hurt by personnel issues.

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## Submittal of Complaints

State employees in Washington who want to report suspected improper governmental actions may file complaints with the State Auditor’s Office, as authorized by RCW 42.40. These complaints can be submitted online, in hard copy, or by electronic mail (email), as shown in *Exhibit II-3*.



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## Exhibit II-3 Submittal of Complaints

### Whistleblower Program : How to File a Complaint

Use the online form (<https://portal.sao.wa.gov/saoportal/public.aspx/Whistleblower>), or fill in and return this printable form (</investigations/Documents/WBReportForm.pdf>) (pdf, 1.5mb), to file your complaint.

Printed forms must be sent to the Washington State Auditor's Office at this address:

**Washington State Auditor's Office**  
**ATTN: State Employee Whistleblower Program**  
**P.O. Box 40031**  
**Olympia, WA 98504-0031**

You may also submit the form by email to: [whistleblower@sao.wa.gov](mailto:whistleblower@sao.wa.gov) (<mailto:whistleblower@sao.wa.gov>)

**Before filling out the form, please read the following:**

- ▶ You must be a current employee of the State of Washington.
- ▶ The problem you're addressing must have occurred within the past year.
- ▶ State law prevents us from investigating complaints involving personnel matters for which other remedies exist. These include grievances, appointments, promotions, reprimands, suspensions, dismissals, harassment, and discrimination.

If you have any questions, please contact:

- ▶ **Jim Brownell**, Whistleblower Manager, at 360-725-5352 or [Jim.Brownell@sao.wa.gov](mailto:Jim.Brownell@sao.wa.gov) (<mailto:Jim.Brownell@sao.wa.gov>)
- ▶ **Cheri Elliott**, Lead Investigator, at 360-725-5358 or [Cheri.Elliott@sao.wa.gov](mailto:Cheri.Elliott@sao.wa.gov) (<mailto:Cheri.Elliott@sao.wa.gov>)

State employees may also file whistleblower complaints with designated agency officials (see our searchable list of agency contacts (</investigations/Pages/Whistleblower-Designees.aspx>)). State agencies are required to notify our Office within 15 days of receiving whistleblower complaints.

Source: Information Response 2 and <http://www.sao.wa.gov/investigations/Pages/FileWhistleblower.aspx>

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Exhibit II-4 illustrates where State of Washington employees can begin submitting a form online.

**Exhibit II-4  
Online Complaints**

The screenshot displays the Washington State Auditor's Office website. At the top, the header includes the state seal, the title "Washington State Auditor's Office", and a search bar. A navigation menu lists "About Us", "Local Government", "State Government", "Investigations", "Resources", and "Search Reports". The main content area is titled "Whistleblower Program" and features a sidebar with a menu where "Whistleblower Program" is selected. The main text includes a heading "You have questions about reporting improper governmental action; we have answers.", a list of examples of improper governmental action (Gross mismanagement, Gross waste of public resources, etc.), a confidentiality statement, and a "Get started" section with links to the complaint form, a flyer, the Whistleblower Act, and a FAQ. A "Contact us" section lists Jim Brownell and Cheri Elliott. The bottom section shows the "State of Washington Whistleblower Online Reporting Form" with instructions and a "Next" button.

Source: <http://www.sao.wa.gov/investigations/Pages/Whistleblower.aspx>

A reporting form opens in a new window where State employees can input information about their complaint(s), including their name, contact information, and subjects. These complaints can also be submitted anonymously. *Exhibit II-5*, *Exhibit II-6*, and *Exhibit II-7* illustrate the online reporting form currently used by State employees making a complaint.

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**Exhibit II-5**  
**Complaint Online Reporting Form**  
**Page 1 of 3**

**Your contact information**

First Name:	<input type="text"/>
Last Name:	<input type="text"/>
Street Address:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text" value="WA"/>
Zip Code:	<input type="text"/>
Day Phone:	<input type="text"/>
Night Phone:	<input type="text"/>
E-mail:	<input type="text"/>
How would you prefer to be contacted (check all that apply):	
<input type="checkbox"/> Day Phone <input type="checkbox"/> Night Phone <input type="checkbox"/> Email <input type="checkbox"/> Regular Mail	
Agency:	<input type="text" value="--"/>
Division:	<input type="text"/>
Current position:	<input type="text"/>

Source: <https://portal.sao.wa.gov/saoportal/public.aspx/Whistleblower>

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Exhibit II-6  
Complaint Online Reporting Form  
Page 2 of 3

Subject's contact information

Name:	<input type="text"/>	(required)
Agency	<input type="text" value="--"/>	(required)
Division:	<input type="text"/>	
Position:	<input type="text"/>	(required)
Location:	<input type="text"/>	
Phone:	<input type="text"/>	
Subject's Supervisors(s):	<input type="text"/>	
Supervisor's Position(s):	<input type="text"/>	
Supervisor's Phone:	<input type="text"/>	

Source: <https://portal.sao.wa.gov/saoportal/public.aspx/Whistleblower>

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Exhibit II-7  
Complaint Online Reporting Form  
Page 3 of 3

Referral information

What type of improper governmental action are you reporting? (required)

Violation of state law or rule  
 Substantial and specific danger to the public health and safety  
 Gross waste of public funds  
 Gross mismanagement  
 Preventing dissemination of scientific opinion or altering technical findings  
 Other improper governmental action per state law (Chapter 42.40 RCW)

When and where did the improper governmental action take place?

(required)

Please describe the improper governmental action in detail. The more detailed information you provide us, the better we will be able to assess your concerns. *Improper governmental action cannot be related to personnel matters.*

(required)

Can we find, or can you provide, additional information to support your assertions?

Yes  No (required)

Are there other witnesses? If so, please provide their contact information.

Yes  No (required)

How do you know about the information you are disclosing here?

Have you already submitted this assertion?

Yes  No (required)

[Submit Referral](#)

Source: <https://portal.sao.wa.gov/saoportal/public.aspx/Whistleblower>

The WB team is also considering changing this online reporting form, as shown in *Exhibit II-8* and *Exhibit II-9*. As it is good to continually update an online reporting form, it must also be reviewed, after it is implemented, to make sure if any additional changes should be made.

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**Exhibit II-8**  
**Online Reporting Form**  
Page 1 of 2  
**How do we contact you?**

File Anonymously

-- Or --

First Name:

Last Name:

Phone:

E-mail:

How would you prefer to be contacted (check all that apply):

Phone    Email    Regular Mail

**Who is the complaint about?**

First Name:  (required)

Last Name:  (required)

Agency:  (required)

Division:

Position:  (required)

City:

Phone:

Supervisor's Name:      First Name      Last Name

Source: Information Response 19

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**Exhibit II-9  
Online Reporting Form  
Page 2 of 2**

Supervisor's  
Position:

**What Happened?**

**Describe what happened in detail.**

The more detailed information you provide us, the better we will be able to assess your concerns.  
Improper governmental action cannot be related to personnel matters.

(required)

Where can we find additional information to support your complaint?

Are there other witnesses?

Yes  No (required)

If you know what state law has been violated, please cite it below:

Submit Complaint

Source: Information Response 19

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Occasionally an individual may call the citizen's hotline to make a complaint. If someone does, they are directed how to submit a complaint, which is often handled by the WB Coordinator. Also the SAO is allowed to self-initiate WB complaints. Many were done in the past; however, only two self-initiated investigations have been conducted in the past three years.

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## Whistleblower Team Case Investigations

When the WB Review Committee decides to initiate an investigation into an allegation of improper governmental action, the WB Manager notifies Whistleblower Program team members, then the WB Manager and Lead Investigator assign an Investigator to a case typically based on caseload and prior experience. The team must notify the employee who filed the complaint being investigated within 15 working days, as required by RCW 42.40.040(3). Only employees associated with an opened investigation (not rejected complaints) are considered a “Whistleblower” in Washington.

The WB Coordinator opens the complaint in the WB Database in which the system automatically assigns the next sequential case number for the current fiscal year. Next, the WB Coordinator emails SAO’s Fiscal Department to request an audit number for the case. The email message is supposed to include the following information:

- ◆ WB case number
- ◆ Agency number, also referred to as MCAG
- ◆ Name of the agency
- ◆ Investigation scope (usually a fiscal year) and budget period (i.e. FY2015 or FY2016)

The Fiscal Department responds with the audit number, which the WB Coordinator then enters on the WB Info tab of the WB Database.

During case investigations, prior to or during entrance conference meetings, the Investigator meets with the Whistleblower and subject(s) either in person or via telephone, depending on what works, to discuss process, complaint and issues involved, plus legal statutes. An Investigator may also review the employee’s work computer hard drive and/or work email messages, or other specific documents, such as contracts. The Investigator meets with the agency and subject(s) in entrance conference meetings after the case has been opened to provide information regarding the complaint, the case investigation and reporting processes, and other information which they would like to know. Additional interactions then can then occur during the investigation process.

Subsequently, the Investigator then meets with the agency and subject(s) in exit conference meetings to discuss the investigation results and draft report previously provided to both, plus, if there is a reasonable cause finding, asking for a response by the agency for any actions that need to be taken, which will be incorporated into the final report.

Although there is no template for a draft/final report in the WB SharePoint folder, the WB team typically follows a similar format, plus form letters are available on the WB SharePoint site.



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## Agency Referrals or FYI for Consideration by Agency Management

With the consent of agencies, the Whistleblower Act (RCW 42.40.040(5)(d)) allows SAO to forward WB complaints for them to investigate and report back within 60 working days. Prior to forwarding a referral, SAO's policy is to seek consent from the Whistleblower. State agencies must comply with procedural and confidentiality provisions in RCW 42.40. When investigations are referred to agencies, the WB team is still responsible for identifying the assertion(s) and criteria, holding agency entrance and exit conferences with the agency and subject(s), sending statutorily required letters, determining whether improper governmental action occurred, and writing the final report. The WB Investigator assigned to the case will work through the agency's WB liaison to obtain reports on the status of investigations. At the conclusion of the agency's investigation, the Whistleblower team requests a detailed report of the procedures performed, copies of all work papers, and evidence obtained during the investigation. For personal use cases conducted by the WB team, the Investigator works with Team STAT, which provides SAO with technology support, to ensure the team receives a copy of the subject's hard drive prior to the commencement of the investigation. In cases where SAO officially refers a WB case to a state agency, the assigned Investigator also coordinate with the agency WB liaison and develop a strategy to ensure the confidentiality of the WB and witnesses is maintained.

At times the WB team provides information from rejected complaints to state agencies, not as a referral of an open investigation, but as a consideration (FYI) for management. If the complaint was not made anonymously, SAO's procedure is to obtain approval from the submitter to communicate the issue(s) to the appropriate state agency's executive management. If the submitter does not agree, the information will not be sent to the agency. If the complaint was made anonymously, the WB Manager decides whether or not to forward the information to the appropriate state agency WB liaison.

Whether or not SAO forwards these complaints to the agency as an FYI, they are officially rejected and the submitters are not Whistleblowers according to RCW 42.40.020(10).

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## State Law Requirements and Other WB Policies

### Timelines

The preliminary phase of WB investigations is defined in state law as 60 working days (RCW 42.40.040(3)). The Investigator consults with the Lead Investigator, WB Manager and, at times, the Deputy Director of State Audit. If after this time has passed, the State Auditor's Office believes more work is needed, SAO must notify the WB, subject(s), and the agency head in writing that the investigation will continue. If after 120 working days the Investigator needs additional time to complete the investigation, he/she must also notify the Whistleblower, subject(s), and the agency head in writing. The template letters for correspondence are located in the WB SharePoint site. The language for these letters has been approved by the WB Manager; however, there are times when the template language can be modified. All letters must be approved in advance by the Lead Investigator prior to being sent.

When investigations are initiated by complaints submitted anonymously, RCW 42.40.040(6)(b) requires the results of the preliminary investigation to be forwarded to a panel of three people, which is currently made of up the following:

- ◆ A state auditor representative knowledgeable of the subject agency operations
- ◆ A citizen volunteer
- ◆ A representative of the Attorney General's Office

This panel makes recommendations to the WB team whether the investigation should proceed. A template letter for this correspondence is also included in the WB SharePoint site. A panel member who fails to respond to a request for recommendations regarding whether the investigation should proceed is notified in writing that h/she is subject to being removed from the panel. Any panel member that fails to respond to two requests for recommendations is to be removed from the panel.



## Reviews

*Exhibit II-10* describes the review process that is to be used for documents produced by the WB team.

**Exhibit II-10**  
**WB Document Review Process**

Document Description	Prepares Draft	1st Review	2nd Review	Finalization (Mgr Signature)	Sends to recipient(s) ?	Attach in Teammate	Input Document Date in WB Database	Delete Drafts from WB Letters Library
15-Day Letter	WB Coordinator	Lead Investigator	N/A	WB Coordinator	Investigator	WB Coordinator	WB Coordinator	WB Coordinator
60 And 120-Day Letters	Investigator	Lead Investigator	N/A	WB Coordinator	Investigator	Investigator	N/A	Investigator
Follow-Up (FLUP) Letter	Investigator	Lead Investigator	N/A	WB Coordinator	Investigator	Investigator	N/A	Investigator
Close In Preliminary	Investigator	Lead Investigator	WB Manager	WB Coordinator	Investigator	Investigator	Investigator	Investigator
Referral Rejection	WB Coordinator	Lead Investigator	WB Manager	WB Coordinator	WB Coordinator	N/A	WB Coordinator	WB Coordinator
Reassignment Letter	Investigator	Lead Investigator	N/A	WB Coordinator	Investigator	Investigator	N/A	Investigator
Anonymous Referral Panel Letters	Investigator	Lead Investigator	N/A	WB Coordinator	Investigator	Investigator	N/A	Investigator
Draft Report Letter	Investigator	Lead Investigator	N/A	WB Coordinator	Investigator	Investigator	N/A	Investigator
WB Waiver Requests	Investigator	N/A	N/A	N/A	Investigator	Investigator	N/A	Investigator

Source: Information Response 2 and Interviews 2, 3, 4, 5, and 6 and Draft Report Comments

The first review of documents prepared by the Lead Investigator will be reviewed by an available WB Investigator. The 2nd review of these documents will be reviewed by the WB Manager. If the WB Manager is not available to perform this review, the Lead Investigator may exercise his or her judgment whether to seek an additional review of the document by the Manager of Legal Affairs or the Deputy Director of State Audit. The WB Manager or Lead Investigator may authorize an exception to the standard document review process if staff is not available due to scheduled leave or caseload.

The primary purpose of the final review by the WB Coordinator is to attach the electronic signature of the person the letter is written on behalf-of and converting Word documents into a PDF format. The WB Coordinator should also be alert for spelling errors, grammatical concerns, and inconsistencies in formatting. Any concerns should be brought to the attention of the team prior to the correspondence being finalized.

The Investigators are responsible for creating the draft report for WB investigations, for which the possible outcomes are:

- ◆ Reasonable cause finding(s)
- ◆ Unable to determine if improper governmental action(s) occurred
- ◆ No reasonable cause to believe improper governmental action(s) occurred

The reports are supposed to be published for investigations that result in reasonable cause findings or when the Whistleblower Program is unable to determine if improper governmental action occurred. For investigations with no reasonable cause findings, the Investigator consults with the WB Manager

prior to drafting a report. Together the Investigator and WB Manager decides whether, in their judgment, drafting a report is a prudent course of action.

During the 60-day preliminary investigative period, if the WB team determines that the matter is so unsubstantiated that further work is not warranted, the WB team closes the case. In doing so, the WB team must notify the WB of its decision. The WB team also writes a closing letter to the agency and copies the subject(s), if they were entranced with. Otherwise, reports are always published even when there is no reasonable cause.

Once the Investigator drafts his or her report, the document is put in the Whistleblower Letters SharePoint Library, which is called the Audit Review Library. The first review is done by the Lead Investigator, while the second review is performed by the WB Manager. For reports drafted by the Lead Investigator, the Lead Investigator may ask another Investigator to perform the first review, while the WB Manager will perform the second review.

Once approved at the team level, including the WB Manager, draft WB reports are posted in the Audit Review Library SharePoint site by the Investigator, which are then reviewed by the following:

- ◆ Communications
- ◆ Manager of Legal Affairs
- ◆ AAG (only for reasonable cause findings)
- ◆ Deputy Director

According to the WB team, the Director of State & Performance Audit also reviews draft reports by reviewing a paper copy provided by Deputy Director of State Audit.

The Deputy Director advises whether the Executive Team must be briefed prior to the draft report being disseminated for technical review. The draft reports are maintained in SharePoint until the WB team receives agency formal responses and concluding remarks have been added, which are requested only if reasonable cause findings are found, but agencies can always respond, if desired. Once the report is finalized, the Investigator or WB Manager puts a website link to the report into TeamMate, plus the draft report is deleted from the Audit Review Library through an automated process.

*Exhibit II-11* illustrates that 26 of the 75 cases closed from July 1, 2014 to July 2016 were based on reasonable cause findings involving seven different types, which means that 49 were based on the WB team unable to determine if improper governmental action(s) occurred or no reasonable cause to believe improper governmental action(s) occurred.

**Exhibit II-11**  
**Reasonable Cause Investigation Outcomes by Type**  
**July 2014 to June 2016**

Type of Outcome	# of Cases
Personal Use of State Resources	16
15-Day Reporting	1
Improper Payments	1
Gross Mismanagement	2
Special Privilege	3
Contract Law(s)	2
Disclosing of Confidential Information	1
	26

Source: Information Response 16

As shown in *Exhibit II-12*, final reports can be accessed online by visiting <http://www.sao.wa.gov> and clicking on the “Search Reports” button; then typing “Whistleblower” in the Search Text field and clicking on the green “Audit Type” button; and finally putting in “From” and “To” dates and the results will show all WB reports published during the date issued range specified. By clicking on a specific report, it will open in a PDF format.

## Exhibit II-12 Web-based Whistleblower Reports

The screenshots show the Washington State Auditor's Office website interface. The top screenshot displays the homepage with a navigation menu and a banner for 'New fraud training available'. The middle screenshot shows the 'Audit Report Search' page with a search box containing 'whistleblower' and a list of search results. The bottom screenshot shows the 'Search Results' page with a table of 94 audit reports found.

Government/Title	Gov Type	Report #	Audit Type	Issued	Findings
Labor and Industries, Department of	Agency, Commission, or Board	1017330	Whistleblower	08/25/2016	(n/a)
Social and Health Services, Department of	Agency, Commission, or Board	1017291	Whistleblower	08/18/2016	(n/a)
Corrections, Department of	Agency, Commission, or Board	1017272	Whistleblower	08/15/2016	(n/a)
Eastern Washington State Historical Society	Agency, Commission, or Board	1016942	Whistleblower	06/23/2016	(n/a)
Seattle Colleges	Community or Technical College	1016970	Whistleblower	06/23/2016	(n/a)
Social and Health Services, Department of	Agency, Commission, or Board	1016933	Whistleblower	06/16/2016	(n/a)
Washington State University	University or College	1016894	Whistleblower	06/09/2016	(n/a)
Wenatchee Valley College	Community or Technical College	1016551	Whistleblower	04/21/2016	(n/a)
Green River College	Community or Technical College	1016430	Whistleblower	03/31/2016	(n/a)

Source: Information Response 4 and <http://www.sao.wa.gov>

## Follow-up on Reasonable Cause Findings

State law (RCW 42.40.040(9)) requires SAO to assess whether appropriate action has been taken by state agencies to address reasonable cause findings that resulted from WB investigations. The agencies submit a plan for resolution that is incorporated into the final report, but completion of the plan often takes longer. If after one-year the agency has not provided enough information for the WB team to determine if issues have been appropriately resolved, the WB Manager has assigned the case to the original Investigator to follow-up.

The Investigator contacts the Fiscal Department by email and requests the original audit number of the case be re-opened. The follow-up work will be charged to this number, which includes time spent creating letters and correspondence with the agency, WB, and subject(s). For each fiscal year the WB team creates a follow-up file in TeamMate that will be used to document this work. For each case the following must be included:

- ◆ A copy of the final report
- ◆ Letters to the agency requesting follow-up information
- ◆ Documentation describing whether appropriate corrective action was taken
- ◆ Closing letters to the agency, subject(s), and the WB.

If the Investigator believes that the agency has not taken appropriate action to resolve this issue(s), he/she consults with the WB Manager and Deputy Director of State Audit. If all parties agree, SAO will report this determination to the Governor's Office and the Legislature, as required by RCW 42.40.040(9)(b). For example, the WB team reports the actions taken reported by the agency, if the agency head reports to the Governor. Then, the case is officially closed once the agency has completed its corrective actions.

## Legal Communications

At times the Investigators may wish to contact legal representatives of state agencies (Assistant Attorneys Generals) or communicate with legal representatives of whistleblowers or subjects. It is the WB team's policy that Investigators must notify SAO's AAG in advance of contacting AAGs of other state agencies or other legal representatives. If the SAO AAG is not readily available, the Investigator will seek guidance from the WB Manager before proceeding. If an Investigator learns that an agency, whistleblower, or subject will have legal representation at any meeting (telephonic or in-person), he/she must notify the WB Manager. The manager is responsible for ensuring that information is communicated to the SAO AAG before the meeting, as the purpose is to determine whether the SAO AAG should also attend.

## Confidentiality

Specifically, WB Investigators and staff should not discuss the details of open investigations with co-workers or audit staff until all relevant information has been obtained and investigations have been completed. However, this does not preclude Investigators from discussing topics amongst themselves that are procedural in nature in order to promote the quality and consistency of investigations. In

regards to TeamMate and other online systems, safeguards have been put in place to protect confidential information. For example, TeamMate files are limited only to WB staff and guests who have received a confidential, read-only password from the WB Manager.

There are many aspects of WB cases that are subject to strict confidentiality requirements under state law and also SAO data security and access policies. The WB team members are also held to the same independence and ethics policies/standards as Assistant State Auditors (ASAs), but with an emphasis on keeping the details of investigations confidential. Examples of ethics and data security documentation provided include:

- ◆ Data Security and Access
- ◆ Ethics - Outside Employment and Conflict of Interest
- ◆ SanDisk SecureAccess™ v2.0 for Mac Users
- ◆ SanDisk SecureAccess Quick Start Guide
- ◆ Confidential Information in Workpapers
- ◆ Reporting Improper Governmental Actions
- ◆ Security And Privacy Policy For Managing Data

Annually each WB team employee is required to sign two agreements as follows:

- ◆ Agreement on Non-Disclosure of Confidential Information
- ◆ Acknowledgement that he or she has read each of the following policies or forms:
  - Audit Policy 3110 Independence and Ethics
  - Ethics – Gifts, Meals, Prices and Honoraria
  - Ethics – Political Activities
  - Ethics – Outside Employment and Conflict of Interest
  - Ethics – Solicitations and Fund-Raising Activities
  - Data Security and Access
  - Information Technology
  - Reporting Improper Governmental Actions
  - Sexual Harassment Policy and Complaint Procedure
  - Agreement on Non-Disclosure of Confidential Information (listed above)

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## Records Management & Redactions

Most complaints are submitted online and logged systematically into the WB Database. Complaints received by mail are scanned into the database by the WB Coordinator, who must attest to the completeness and quality of the documents before the hard copies are destroyed. Every quarter (three months), the WB Coordinator will delete records from the database, consistent with retention requirements.

There are a number of records retention schedules that Whistleblower team members must be aware of, so the WB Team members need to direct questions about what information is exempt from public



disclosure based on agency policies, retention laws/rules under RCW 42.56.240, or any other state law, if necessary, to the WB Manager, the Public Records Officer, or the Manager of Legal Affairs. The SAO Information Technology (IT) developers created a database tool, which identifies records in the database that have passed the retention periods.

### **Rejected Complaints**

The retention requirements for rejected complaints fall under the General Records Retention Schedule (SGGRRS), under GS 09016 Rev. 0, and must be retained for three (3) years. The WB Coordinator will document in a log for which time period rejected complaints were deleted. If any hard-copy documentation exists for a given complaint, the WB Coordinator will include this information on the log and destroy the records accordingly.

### **Complaints that Resulted in an Investigation**

The records of initiated WB investigations fall under SAO's specific records retention schedule (DAN 75-07-13168), which includes investigative documents and evidence, but excludes records covered by Audits and Investigations – transitory/temporary documentation (DAN 11-12- 62896). These investigative records must be retained for five (5) years after the completion of the investigation (report date). SAO has implemented a process in which investigative files in TeamMate are deleted in accordance with the records retention schedule.

Every quarter (three months), the WB Coordinator will delete records from the database, consistent with retention requirements. The WB Coordinator documents in a log for which time period closed investigations were deleted. If any hard-copy documentation exists for a given investigation, the WB Coordinator will include this information on the log and destroy the records accordingly.

### **Investigative Notes**

It is common for Investigators to take notes during interviews. However, Investigators are expected to document information from notes relevant to the scope of the investigation into their official TeamMate investigative file. Therefore, these notes are considered transitory, as defined by DAN 11-12-62896 and are retained until no longer needed for agency business. Only the WB Manager or Lead Investigator can edit these notes.

### **Scan and Toss Policy**

The SAO has established an administrative policy and procedures regarding scanning and tossing, which explains the authority and process for scanning original, non-archival documents into an electronic format and destroying the originals. For example, some complaints are sent by mail and received by the WB Coordinator. When this occurs, the WB Coordinator will follow SAO policy by:

- ◆ Scanning the documents into a TIFF, PNG, PDF, PDF/A JPEG, or JPEG 2000 format.

- ◆ Verifying the imaged record(s) are complete and contain the same number of pages as the original.
- ◆ Verifying that the imaged record(s) are legible.

## **Records Requests**

Records requests for WB investigative files come through the SAO Public Records Officer. New requests are input into an internal system and are assigned to the WB Manager. An email notification is automatically sent to the WB Manager. The WB Manager typically assigns it to the Investigator who conducted the investigation. The Public Records Officer will typically come speak in person with the WB Manager and Lead Investigator about each request to discuss topics such as:

- ◆ What type of records we have (TeamMate, hard-copy, etc.)
- ◆ Where the records are located; and
- ◆ What the requestor asked for

The WB Manager and Lead Investigator will discuss which Investigator to assign the records request to. It is preferable that the Investigator who completed the case also fulfill public records requests for the case, because they have the most knowledge about the nature of the information and what might need to be redacted. Ultimately, the WB Manager assign requests based on caseload and staff availability.

The Public Records Officer must respond to the requestor within five working days of receiving a request with an estimate in days of how long it will take to fulfill the request. The WB Manager, Lead Investigator, and assigned Investigator considers the team's current workload and size of the request before providing the estimate. If the WB team finds it understated the original estimate, the WB Manager will notify the Public Records Officer within one week prior to deadline with a new estimate.

If the WB team receives a records request in the mail, it must be immediately routed to the Public Records Officer.

## **Redactions for Requests of Initiated Investigations**

The Whistleblower Program investigative files contain information that is exempt from public disclosure. Examples may include the identity and identifying characteristics of the Whistleblower and witnesses, client records, social security numbers, etc. For each request there is a first redaction and then a second redaction, or review by the Lead Investigator or WB Manager. The assigned Investigator extracts information from the investigative file into PDF format, which includes any records, both in and outside of TeamMate, that have been requested. There is also typically a third review by the Public Records Officer or the Manager of Legal Affairs



## Redactions for Rejected Complaints

If the Whistleblower Program does not initiate an investigation into a new complaint, the state employee who filed the assertion is not a whistleblower as defined by RCW 42.40.020(10)(a). However, RCW states that the identity of a state employee or officer who has in good faith reported improper governmental action, as defined in RCW 42.40.020, to the WB Program or other public official, is exempt from public disclosure. The following, as it pertains to state employees whose referrals are rejected, will not be disclosed:

- ◆ Employee full-name
- ◆ Employee address
- ◆ Employee phone number(s)
- ◆ Employee email address

### III. Findings & Conclusions/Recommendations

This chapter highlights the performance audit's findings and conclusions, and the associated recommendations.

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#### A. Findings & Conclusions

**Finding III-1            The Whistleblower Program fundamentally meets each of the project scope requirements with some exceptions discussed in other findings.**

As previously discussed, Schumaker & Company's review and assessment of the Whistleblower Program included a review of each of the following items included in the project scope. Our project results indicated that the Whistleblower Program fundamentally meets each of these requirements, with the only exceptions we have incorporated into the report as part of our project findings seen on the following pages.

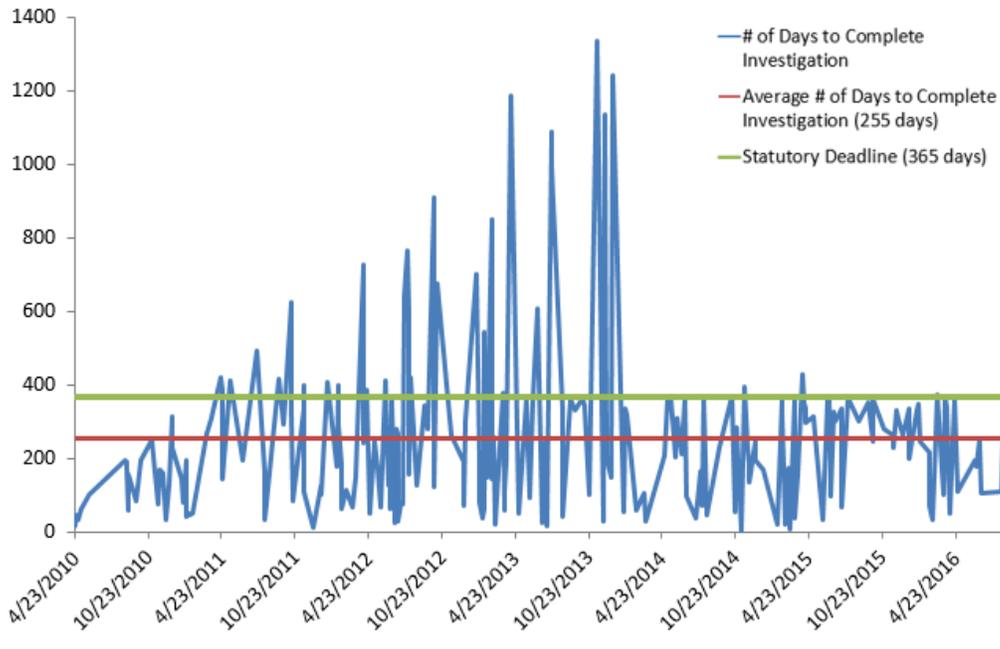
- ◆ Whether the program is acquiring, protecting and using its resources such as personnel, property, and space economically and efficiently
- ◆ The cause of inefficiencies or uneconomical practices
- ◆ Whether the program has complied with laws and rules on matters of economy and efficiency
- ◆ The extent to which the desired results or benefits established by the legislature are being achieved
- ◆ The effectiveness of the program
- ◆ Whether the staff have complied with significant laws and rules applicable to the program
- ◆ The appropriate procedures are in place to ensure confidentiality of the source documents

Although we have determined that the Whistleblower Program fundamentally meets each of the above requirements, we have developed additional findings and conclusions to further enhance the efficiencies in the Whistleblower Program.

**Finding III-2 The Whistleblower Program team has improved its ability to meet its one-year deadline in the past few years.**

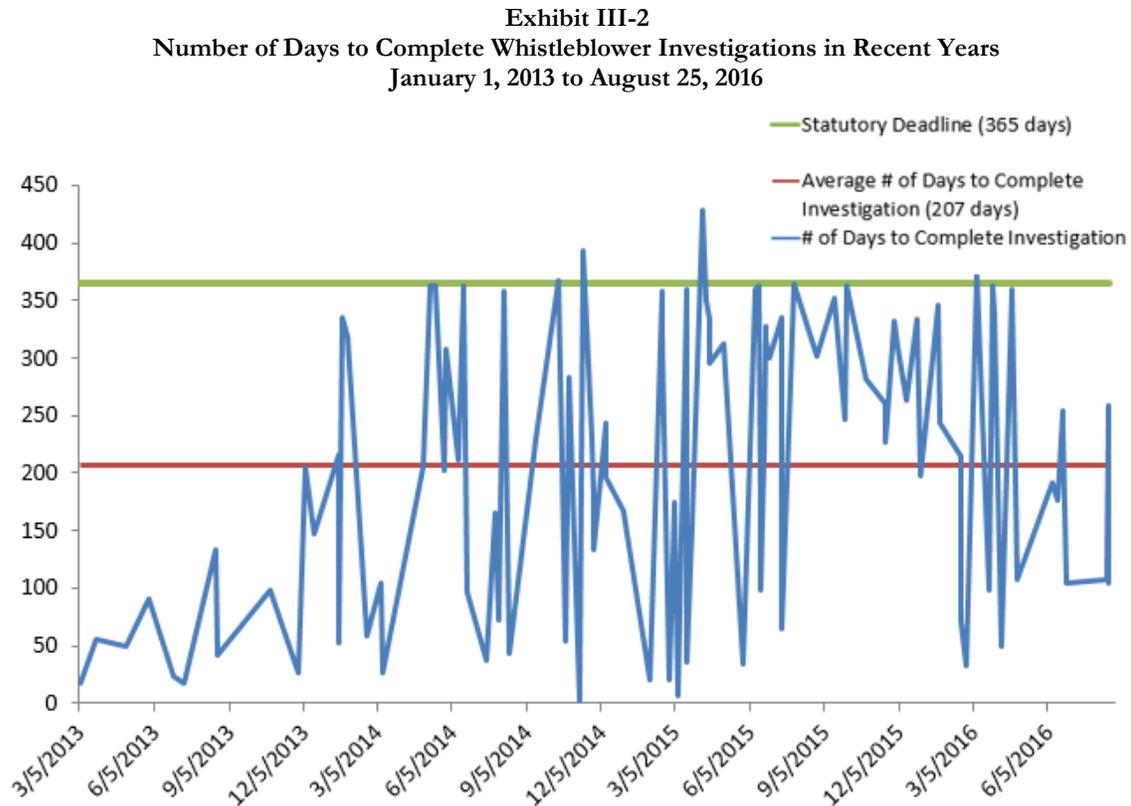
As shown in *Exhibit III-1*, the number of days to complete Whistleblower investigation in the past frequently took longer than 365 days, especially until the end of 2013.

**Exhibit III-1**  
**Number of Days to Complete Whistleblower Investigations in Past**  
**January 1, 2010 to August 25, 2016**



Source: Information Response 5

As shown in *Exhibit III-2*, in recent years 2013 to 2016, the number of days to complete WB investigations has generally been below the 365-day statutory deadline target-limit, although occasionally, it has gone above the target-limit.



Source: Information Response 5

According to SAO and WB management, the primary reason for this reduction in number of days to complete investigations was a change in leadership, which allowed increased emphasis on the importance of the 365-day statutory deadline target and other compliance requirements.

**Finding III-3      The 365-day statutory deadline target, not other timeline targets, is the primary focus of Whistleblower management.**

On a weekly basis, the WB Manager creates a Whistleblower Case Status Report, which shows every open case along with the following dates:

- ◆ Submitted date (actual date)
- ◆ 15 days (actual letter completion date or target, if not completed)
- ◆ 60 days (actual letter completion date or target, if not completed)



- ◆ 120 days (actual letter completion date or target, if not completed)
- ◆ One (1) year (actual letter completion date or target, if not completed)
- ◆ 120-day mark (date 120 days prior to 1-year target); highlighted if already completed
- ◆ 60-day mark (date 60 days prior to 1-year target); highlighted if already completed

This report is also provided to the SAO's Deputy Director of State Audit and SAO's Director of State and Performance Audit.

When Schumaker & Company requested performance metrics data, including results against targets, only the 1-year statutory deadline data shown in *Exhibit III-1* and *Exhibit III-2* was provided, plus only the actual 1-year information is provided to upper management showing cases 60 to 90 days from 365-day statutory deadline target.

Also, as described later in *Finding III-8*, many of the letters sent to Whistleblowers, agencies, and subjects for opened/investigated cases, were completed on the due dates (15, 60, and 120 working day letters), not before.

**Finding III-4            The WB team's few number of Investigators makes it difficult for Investigators to achieve such timeline targets.**

*Exhibit III-3* illustrates the WB team's case workload for opened/investigated and rejected cases from FY2010 to FY2016.

**Exhibit III-3  
Case Workload  
FY2010-FY2016**

	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
<b>Opened &amp; Investigated</b>	55	39	49	37	38	50	32
<b>Rejected</b>	151	211	208	209	161	193	146
<b>Completed</b>						42	33

Source: Information Responses 4, 8, and 14

Until recently the WB team included one Lead Investigator and three Investigators reporting to the WB Manager, but now it includes only one Lead Investigator and two Investigators reporting to the WB Manager. The Investigators typically carry a caseload of approximately eight to 11 cases at a time, which contributes to making the timelines difficult to meet, although other factors also contribute to meeting these timelines. According to management, the case workload is increasing, also with the Lead Investigator performing more investigations and the WB Manager having more work, which will likely place more pressure on meeting deadlines with only the existing number of Investigators.

**Finding III-5**      **Actions required by the WB team based on the prior performance audit have generally been addressed, although some for the Washington Legislature, including changing Washington’s definition of Whistleblower, have not been addressed.**

*Exhibit III-4* illustrates actions taken by the Whistleblower Program regarding prior audit recommendations.

**Exhibit III-4  
Actions Taken Regarding Prior Audit Recommendations**

Prior Whistleblower Performance Audit Recommendations (January 2015)	SAO Response to Recommendations
<b>Recommendation 1</b> - The Legislature should amend RCW 42.40.040(6) and (7) so that investigations are completed within a single 120 day period and references to a preliminary investigation are omitted. The existing statutory language permitting an investigation to exceed 120 days if the time extension is justified (i.e., RCW 42.40.040(7)) in writing should be retained. A proposed process map is found in Appendix C.	<i>No changes have been made to RCW 42.40 by the Washington State Legislature since the last performance audit was published.</i>
<b>Recommendation 2</b> - The SAO should amend their boilerplate for preliminary notices (sent at the outset of an investigation during an entrance conference) to include the procedure for subjects to respond to allegations including an opportunity to review and respond to the evidence prior to the completion of investigation.	<i>A standard template for whistleblower investigation entrance conference has been established. The document includes information about when subjects can formally respond to the draft report.</i>
<b>Recommendation 3</b> - The SAO should join the State’s Global Address List in MS-Outlook so that State employees can be located if needed for providing information during investigations. In addition, the SAO should subscribe to a commercial people search database such as Locate People or People Finders. The State may have an existing subscription with a preferred vendor that the SAO could also use.	<i>SAO joined the state email service in August 2016.</i>
<b>Recommendation 4</b> - The SAO should limit attendance at the weekly triage meetings to the Deputy Director, Whistleblower Program Manager, Lead Investigator and the Manager of Legal Affairs. Other individuals can be included on an as-needed basis.	<i>The whistleblower committee is formally comprised of five individuals. Please refer to the WB Program Manual</i>
<b>Recommendation 5</b> - The Legislature should amend RCW 42.40.070 to delete references to printed media about the Whistleblower program.	<i>No changes have been made to RCW 42.40 by the Washington State Legislature since the last performance audit was published.</i>
<b>Recommendation 6</b> - Augment the Whistleblower Program Manual to include additional instructions on public record requests and redactions: 1. Scan the file containing requested record (if not already in pdf). Most records are already in pdf. 2. The first investigator proposes redactions in Adobe Acrobat. 3. The second investigator (a peer) reviews proposed redactions and makes additional proposals if needed. 4. Documents are copied on to a thumb drive and are then transferred to the Public Records Officer (PRO). The thumb drive is then returned to the Whistleblower Program staff. 5. The PRO does a final review of proposed redactions and finalizes. PRO then sends redacted record to the requestor usually via secure file transfer and archives two copies (redacted and with proposed redactions) on their password-protected directory.	<i>The WB Program Manual Was amended to address how public records requests and redaction are to be completed.</i>
<b>Recommendation 7</b> - Purchase a desktop scanner for use by the Whistleblower Program so referrals do not need to be scanned on a copier that is outside the Program office.	<i>SAO chose not to implement this recommendation.</i>
<b>Recommendation 8</b> - The Legislature should amend State law and provide confidentiality to any current State employee who files a whistleblower complaint with the State Auditor’s Office, regardless if an investigation is initiated.	<i>No changes have been made to RCW 42.40 by the Washington State Legislature since the last performance audit was published.</i>
<b>Recommendation 9</b> - The Whistleblower Program should send out surveys to whistleblowers, subjects and agency contacts at the conclusion of investigations. These surveys should then be retained for the subsequent performance audit.	<i>During the audit period the program began to send out surveys and track results. Due to limited responses, it was decided to cease sending surveys in July 2016.</i>

Source: Information Response 6

Schumaker & Company believes that only *Recommendation 8* of the prior audit report needs to be adopted, as incorporated into our *Recommendation III-5* in this report.

**Finding III-6            The technology used within the Whistleblower Program is reasonably current technology.**

As discussed in the following paragraphs, the software tools used are either the most recent version of the product or only one version back.

The Whistleblower Database application was internally developed using C# (programming language) web front end that connects to a Microsoft structured query language (SQL) 2008 R2 database backend. The IT organization is in the process of planning a migration to SQL 2016. The table-level database encryption used is to help protect confidentiality of Whistleblowers. Access to the Whistleblower application and data within the application database is restricted using Active Directory security groups. The granting of access to the Whistleblower system requires written authorization from the WB Manager.

TeamMate is a third party COTS system provided by Wolters Kluwer. There are several technical architectural ways that TeamMate can be set up. The most common technical architecture is a dedicated SQL server and a dedicated application/web server. The WB team uses this architecture and uses SQL 2008 R2 and Server 2012. It is running the latest version 11.2 on both the server and the workstation. As done in past, the WB team can have the user interface configured as much as the system allows. SAO has engaged Wolters Kluwer to perform system health and configuration checks on a periodic basis (or as new major versions are released and installed). The system is configured in accordance with best practices.

The WB team uses approximately 40 different Word templates for creating its various letters. They are kept in the WB SharePoint folder. The document template for the entrance document and issue/criteria are in TeamMate. The WB Manager or Lead Investigator is responsible for managing the templates. If the WB Manager wants to update a template in TeamMate, he notifies one of the TeamMate administrators and directs that person what to update, as the WB Manager has full capability to direct update of the templates in the WB SharePoint folder.

This use of reasonably current technology helps the WB team by contributing to its efficiency of operations.

**Finding III-7            The use of Microsoft Word for document processing could be improved.**

The Washington's State Auditor's Office has published an Official Style Guide, which provides guidance on how to draft various documents within the State Auditor's office; however, it does not incorporate features and capabilities that have been built into Microsoft Word over the last 20 to 30 years, which support using Word as a document processor and not just a word processor. Specifically, the Official Style Guide makes no reference to the use of three things:

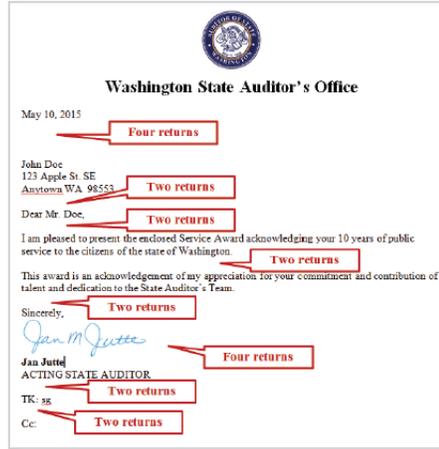
- ◆ Character styles
- ◆ Paragraph styles
- ◆ Document formatting

In short, the document appears to have been written by someone familiar with using a typewriter, but not a word processor as a document processor. *Exhibit III-5* shows how formatting for letter should be done according to the Style Guide. It emphasizes use of “Four returns” (typewriter terminology) and “One inch from top of document” (more typewriter terminology) for laying out the document.

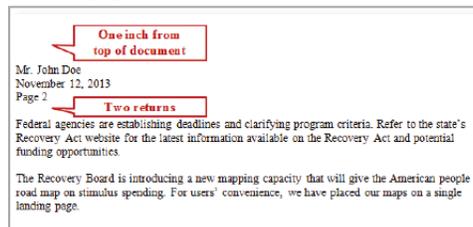
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**Exhibit III-5**  
**Style Guide Letter Formatting**  
**as of October 31, 2016**

**Address/Salutation formats**



**Letter continuation pages**

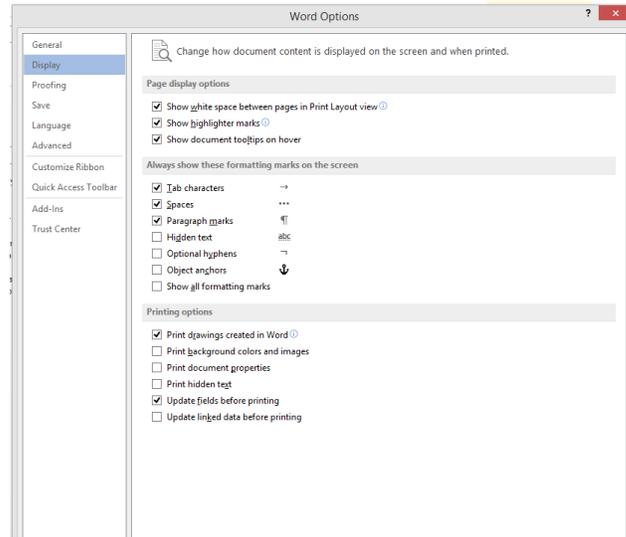


Source: Information Response 10

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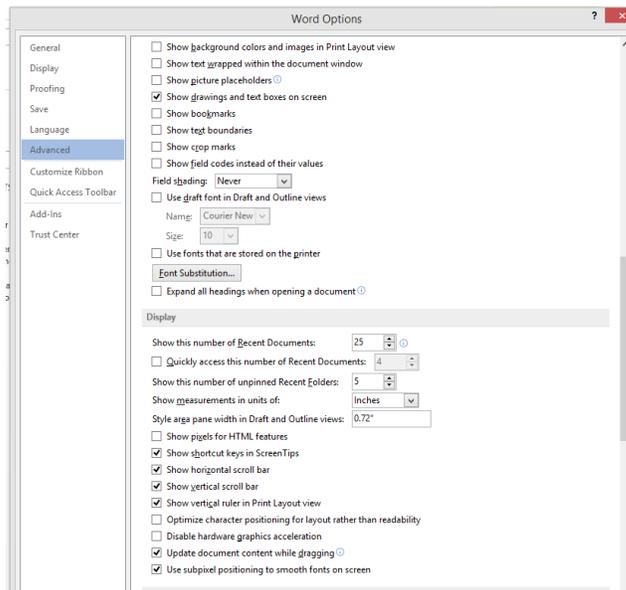
This results in all documents looking like the example shown later in *Exhibit III-8*. For example, we opened the 15-day letter template and switched the display to “Draft Mode” and turned on “Tab Character, Space, and Paragraph Marks” (as shown in *Exhibit III-6*) and showed the “Style Bar” (as shown in *Exhibit III-7*). If you look in the Style Bar (left side of document), there are only two styles used in the document specifically “Normal” and “Body Text” and returns (which result in extra paragraph marks) are used for adding spacing.

### Exhibit III-6 Display Settings as of October 31, 2016



Source: Microsoft Word

### Exhibit III-7 Style Bar as of October 31, 2016



Source: Microsoft Word



**Exhibit III-9**  
**Use of Styles**  
**as of October 31, 2016**

Date	August 19, 2016¶
Inside Address	▪ Ms. Bonnie Lindstrom, RFQQ Coordinator¶
Inside Address	▪ Office of Financial Management¶
Inside Address	▪ Email: <a href="mailto:OFMBidProcurement@ofm.wa.gov">OFMBidProcurement@ofm.wa.gov</a> ¶
Inside Address	▪ Phone: (360) 902-0568¶
Attention Line	<b>Regarding: Whistleblower Program Performance Audit¶</b>
Salutation	Dear Ms. Lindstrom:¶
Body Text	Schumaker&Company, Inc. (Schumaker&Company) is pleased to submit a proposal to perform a performance audit of the Washington State Employee Whistleblower Program (Whistleblower Program) for the Office of Financial Management (OFM). We have the expertise and resources available to provide this assistance and have structured our proposal in this fashion. Our team's extensive knowledge and experience with private and public entities throughout North America, as well as our work with local and state government entities; electric, gas, telephone, and water/wastewater utilities; and private sector organizations combined with our sophisticated, proven project management techniques and skills, makes our firm well-suited for this project. Our firm information is as follows:¶
Body Text	Schumaker&Company meets <u>all</u> of the minimum qualifications as listed in Section 1.3, <i>Minimum Qualifications</i> , including:¶
List Bullet	◆ → <i>The Consultant must be licensed to do business in the state of Washington or provide a commitment that it will become licensed in Washington within fifteen (15) calendar days of being selected as an Apparently Successful Contractor. We are already licensed to do business in Washington. Our UBI is 602-412-446, as shown below on our legal entity registration.</i> ¶
List Bullet	◆ → <i>Five (5) years' auditing experience. We have over 30 years of performance auditing experience for state and local government entities; telecommunications firms; electric, gas, and water/wastewater utilities; and private sector organizations.</i> ¶
List Bullet	◆ → <i>Knowledge and experience conducting performance audits of state, local government or nonprofit agencies. We have performed more than 100 performance audits over these last 30 years.</i> ¶

Source: Microsoft Word

Furthermore, when you become disciplined about using styles, you can turn on the navigation pane and use that pane to navigate throughout the document and move sections around as shown in *Exhibit III-10*. This feature is very helpful for larger documents, such as policies and procedures documentation.

### Exhibit III-10 Navigation Pane as of October 31, 2016

Navigation	Date
<div style="border: 1px solid gray; padding: 2px;">Search document <span style="float: right;">🔍</span></div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>HEADINGS</span> <span>PAGES</span> <span>RESULTS</span> </div> <div style="border: 1px solid gray; padding: 2px; margin-top: 5px; text-align: center;">z</div> <ul style="list-style-type: none"> <li>1. Administrative Requirements           <ul style="list-style-type: none"> <li style="background-color: #e0e0e0;">A. Letter of Submittal</li> <li>B. Bidder Certification &amp; Assurances Form</li> <li>C. References</li> <li>D. OMWBE Certification</li> </ul> </li> <li>2. Qualifications/Experience           <ul style="list-style-type: none"> <li>A. Staff Qualifications/Experience               <ul style="list-style-type: none"> <li>Resumes                   <ul style="list-style-type: none"> <li>▶ Ms. Patricia H. Schumaker, CPA, CGMA,...</li> <li>▶ Mr. Dennis J. Schumaker, CMC®, PMP,...</li> <li>▶ Ms Jaye M. Kain, Project Administrator,...</li> </ul> </li> <li>B. Experience of the Bidder &amp; Subcontract...                   <ul style="list-style-type: none"> <li>Our People</li> <li>Managing Change, Defining Solutions</li> <li>Ability to Respond Rapidly</li> <li>Firm Financial Stability</li> <li>Why Us?</li> <li>Types of Services Typically Provided</li> <li>Working Relationships</li> </ul> </li> <li>C. Audit Deliverables                   <ul style="list-style-type: none"> <li>Philadelphia Gas Works</li> <li>National Fuel Gas Distribution Corpo...</li> <li>Jersey Central Power &amp; Light Compa...</li> </ul> </li> <li>D. Project Approach/Methodology                   <ul style="list-style-type: none"> <li>▶ Step I – Project Orientation and Final W...</li> <li>▶ Step II – Detailed Reviews and Analyses</li> <li>▶ Step III – Draft and Final Report Preparat...</li> <li>Proposed Hours</li> <li>Proposed Timeline</li> <li>Project Management Tools Techniques</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<p>August 19, 2016</p> <p>Inside Address</p> <ul style="list-style-type: none"> <li>▪ Ms. Bonnie Lindstrom, RFQQ Coordinator</li> <li>▪ Office of Financial Management</li> <li>▪ Email: <a href="mailto:OFMBidProcurement@ofm.wa.gov">OFMBidProcurement@ofm.wa.gov</a></li> <li>▪ Phone: (360) 902-0568</li> </ul> <p>Attention Line</p> <p><b>Regarding:</b> <i>Whistleblower Program Performance Audit</i></p> <p>Salutation</p> <p>Dear Ms. Lindstrom:</p> <p>Body Text</p> <p>Schumaker and Company, Inc. (Schumaker &amp; Company) is pleased to submit a proposal to perform a performance audit of the Washington State Employee Whistleblower Program (Whistleblower Program) for the Office of Financial Management (OFM). We have the expertise and resources available to provide this assistance and have structured our proposal in this fashion. Our team's extensive knowledge and experience with private and public entities throughout North America, as well as our work with local and state government entities; electric, gas, telephone, and water/wastewater utilities; and private sector organizations combined with our sophisticated, proven project management techniques and skills, makes our firm well-suited for this project.</p> <p>Body Text</p> <p>Schumaker &amp; Company meets all of the minimum qualifications as listed in Section 1.3, Minimum Qualifications, including:</p> <p>List Bullet</p> <ul style="list-style-type: none"> <li>◆ <i>The Consultant must be licensed to do business in the state of Washington or provide a commitment that it will become licensed in Washington within fifteen (15) calendar days of being selected as an Apparently Successful Contractor. We are already licensed to do business in Washington. Our UBI is 602-412-446, as shown below on our legal entity registration.</i></li> </ul> <p>List Bullet</p> <ul style="list-style-type: none"> <li>◆ <i>Five (5) years' auditing experience. We have over 30 years of performance auditing experience for state and local government entities; telecommunications firms; electric, gas, and water/wastewater utilities; and private sector organizations.</i></li> </ul> <p>List Bullet</p> <ul style="list-style-type: none"> <li>◆ <i>Knowledge and experience conducting performance audits of state, local government or nonprofit agencies. We have performed more than 100 performance audits over these last 30 years.</i></li> </ul>

Source: Microsoft Word

Our experience as a consultant indicates that by improving use of Microsoft Word capabilities helps to improve efficiency of performing writing of documents.



**Finding III-8      The WB team is essentially in compliance with the Washington WB law based on Schumaker & Company’s sampling of complaint cases, although some minor discrepancies occurred.**

Schumaker & Company consultants reviewed 14 rejected complaints and 32 opened/investigated cases for the FY2015/FY2016 time period (July 1, 2014 to June 30, 2016) based on the sampling criteria shown in *Exhibit III-11* and *Exhibit III-12*.

**Exhibit III-11**

**Sampling Criteria for Complaints Made Directly to Agencies and Referrals Made WB Team to Agencies**

Criteria	Date? Yes/No	Comment
<b>COMPLAINTS MADE DIRECTLY TO AGENCIES</b>		
<b>Timeliness</b>		
Although rarely done, if applicable, a complaint initially reported to a State Agency Designee rather than the Whistleblower Program was reported to SAO within 15 calendar days per RCW 42.40.040(1)(a).		
<b>REFERRALS MADE BY WB TEAM TO AGENCIES</b>		
<b>Timeliness</b>		
A preliminary investigation <u>referred</u> to an agency was completed within 60 working days per RCW 42.40.040(5)(d). A report was created only if there’s a finding; otherwise, it simply goes into the database.		
<b>Rules &amp; Policies on Notice and Reporting</b>		
A <u>referral</u> to an agency, if applicable, for preliminary investigation was documented in the case file with the reason for referring the case per RCW 42.40.040(5)(d).		

**Exhibit III-12  
Sampling Criteria for WB Team Investigations**

Criteria	Date? Yes/No	Comment
<b>WB TEAM INVESTIGATIONS</b>		
<b>Timeliness</b>		
A letter to the whistleblower at the address provided was mailed within 15 working days of receipt of the information stating whether a preliminary investigation will be conducted per RCW 42.40.040(3). ♦ Not applicable if anonymous complaint ♦ Otherwise applicable, whether rejected or opened and investigated		
<b>Rules &amp; Policies on Notice and Reporting</b>		
The agency and associated subjects were notified of a preliminary investigation including the nature of the complaint, relevant facts, and laws and procedure for responding per RCW 42.40.040(6).		
The whistleblower was notified, if the case was closed during preliminary investigation, including information received and results per RCW 42.40.040(5)(a) and (b).		
The whistleblower was notified per RCW 42.40.040(6)(a) and agency and subject(s) were notified of the nature of the complaint, relevant facts, and response procedure per RCW 42.40.040(6)(c) if a case warrants a full investigation. (Must be done with 60 days letter.)		
If an anonymous complaint, the Anonymous Assertion Panel reviewed the decision to continue investigations (within 60 days) and signed a Panel Letter documenting concurrence per RCW 42.40.040(6)(b).		
<b>Timeliness</b>		
A preliminary investigation was completed within 60 working days per RCW 42.40.040(3).		
A full investigation was completed within 60 additional working days (120 days since complaint), unless justified in writing per RCW 42.40.040(7).		
A full investigation was completed within one calendar year from date of referral per RCW 42.40.040(7).		
All subjects and/or agency heads were provided 15 working days before issuance of final report to submit a response, if notified that improper governmental action has occurred per RCW 42.40.040(8)(d).		
The agency resolution plan(s) were submitted within 15 working days of receiving the draft report per RCW 42.40.040(9)(b).		
<b>Rules &amp; Policies on Notice and Reporting</b>		
The whistleblower was notified of findings when full investigation was completed per RCW 42.40.040(7).		
The final report was submitted to required parties and posted on SAO website per RCW 42.40.040(9)(a).		
After the final report was issued, SAO followed up with the agency annually until case was resolved per SAO policy Chapter 6. (If not done, Governor or Legislature must be notified)		
The status reports were submitted to required parties in if the case resolution exceeds one year per RCW 42.40.040(10).		



For rejected cases, the WB team uses a drop-down to identify the following reasons for rejecting the cases.

- ◆ Outside WB authority
- ◆ Referred to entity
- ◆ WB Program discretion
- ◆ Not a State employee
- ◆ Sent to citizen hotline

Of the 14 rejected cases reviewed, all were handled appropriately and within the 15 working day limitation. Roughly one half of the rejected cases did not get sent a 15-day letter, because they were filed anonymously and a 15-day letter is then not required; however, one of these cases did result in an FYI letter to the agency.

Although essentially the WB is in compliance with Washington law, a few minor discrepancies occurred based on our sampling of 32 opened/investigated cases. They included:

- ◆ Of the 32 opened/investigated cases reviewed, in four cases, one cannot tell specifically when a draft report was provided to agencies and subjects before exit conferences, as notes frequently indicated only “before” language, also making it difficult to confirm that they were provided at least 15 days prior to final report being published, as all subjects and/or agency heads must be provided 15 working days before issuance of final report to submit a response, if notified that improper governmental action has occurred per RCW 42.40.040(8)(d).
- ◆ As in one case, no 60-day letters to agency, subject, or WB were made, as the Investigator met with them about one (1) day after due date because of schedule conflicts, although it was documented in TeamMate why the decision was made not to prepare and send the 60-day letters, as it is not statutorily required, although the subject was notified during the entrance that the investigation was continuing; also then the 120-day letters were sent three (3) days late.
- ◆ As in one case, the 120-day letters were not sent to agency, subject, and WB, as the final report was issued seven (7) days later. In RCW 42.40.040(7), it indicates that within sixty working days after the preliminary investigation period, which would be 120 days from the complaint receipt date, the auditor shall complete the investigation and report its findings to the whistleblower unless written justification for the delay is furnished to the whistleblower, agency head, and subject(s) of the investigation. Because WB held an exit conference with the subject by the 120-day mark, it believes the intent of RCW 42.40.040(7) was met.
- ◆ As in one case, the final report was issued six (6) days later than the one (1)-year due date.
- ◆ As in one case, an Investigator input an incorrect year in activity log notes, even though other evidence indicates that the deadlines were met, so the incorrect year was a typographical error, which can cause confusion when read.

Also many of the letters sent to whistleblowers, agencies, and subjects for opened/investigated cases, were completed on the due dates (15, 60, and 120 working day letters), not before, making it possible that understaffing is an issue; therefore, an additional Investigator, as discussed in *Finding III-4* and *Recommendation III-2*, which would allow the WB team to send out some before these due dates and be more timely in conducting investigations.

**Finding III-9**      **Generally, the Washington Whistleblower Program processes compare favorably with other states; however, Washington is a state that defines a Whistleblower as a complainant whose complaint is opened and investigated, not a complainant whose complaint is rejected, unlike other states.**

Schumaker & Company consultants reached out to both Oregon and California to have a discussion of those respective Whistleblower programs, as summarized at a high-level in *Exhibit III-13*.

**Exhibit III-13**  
**California and Oregon High-Level Comparisons**  
**as of October 31, 2016**

	California	Washington	Oregon
Approximate Number of Complaints Per Year	◆ 2,000	◆ 210	◆ 250
Approximate Number of Complaints Investigated Per Year	◆ 200, of which 70% by Whistleblower team and 30% other departments	◆ 40-50	◆ 3-4 actually investigated by Whistleblower team
Complaint Preliminary Review Process	◆ Whistleblower team only.	◆ Review Committee of 1 Whistleblower team member and 4 other external members	◆ Whistleblower team and Audit Executive Management member
Number of Whistleblower Team Investigators	◆ Dedicated: 7 Investigators	◆ Dedicated: 1 Lead Investigator and 2 Investigators	◆ No dedicated Investigators – members chosen on case-by-case basis from staffing of 72 financial auditors
Other Items	<ul style="list-style-type: none"> <li>◆ Both state employees and citizens can make complaints</li> <li>◆ Complaints are generally taken by hotline, online, mail, or occasionally fax or in-person visits</li> <li>◆ 1-year timeline for investigations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Only state employees can make complaints</li> <li>◆ Complaints are taken online, hard copy, or email</li> <li>◆ 1-year timeline for investigations, plus other intermediate timelines</li> </ul>	<ul style="list-style-type: none"> <li>◆ Both state employees and citizens can make complaints</li> <li>◆ Most complaints are taken by telephone (61%), online (24%), and other (15%); with use a third party for answering phones</li> <li>◆ No timelines for completion of investigations</li> </ul>
Whistleblower	◆ All complaints get Whistleblower status	◆ Only opened/investigated complaints get Whistleblower status	◆ All complaints get Whistleblower status
Software	◆ SCOUT	◆ Whistleblower Database and TeamMate	◆ NAVEXGlobal Database and TeamMate

The Washington Whistleblower Program has many complaints that are handled via online reporting, which is extremely helpful from an efficiency perspective, as some states are still relying primarily on hotlines. The Washington Whistleblower Program has formal processes with deadlines that are generally met by its Investigators. Its processes are comprehensively included in its program manual documentation. Its preliminary review activities are performed quickly with not just Whistleblower team members making the assessment whether or not to open and investigate a complaint, which is better than some states. Its Investigators are dedicated to the Whistleblower Program, which is better than states that only have financial auditors perform investigations, as they are not only dedicated, but have considerable experience in conducting these investigations.

For example, both California and Oregon define a “Whistleblower” as an employee who makes a complaint, regardless of whether it is rejected or opened and investigated; also Oregon assesses fines up to \$3,000, if an employee is retaliated against. By including all complainants as Whistleblowers, the protection of their identity and contact information is frequently seen by employees as better than Washington’s definition.

**Finding III-10            The Whistleblower Program outreach activities are improving, but still limited.**

In many states, email messages are provided yearly to State employees describing the Whistleblower program and how State employees can provide complaints. In some situations, the email messages are sent directly to the State employees by the Whistleblower program, the Secretary of State, the Governor, or others. In some situations, the email messages are sent to departments/agencies, then departments are to send email messages to State employees who have email addresses. Also, posters and brochures are provided annually to departments/agencies, who must make them visible to State employees, plus posters are provided to departments/agencies for display in public areas, which also provides the telephone number and website address for filing complaints. Also, sometimes departments/agencies have gathering(s) to discuss Whistleblower program.

Email messages are not necessarily sent annually to State employees in Washington, as, in the past, some email messages have been sent out incorrectly or some agencies didn’t receive the messages, so now the WB team is also attempting to attend employee recognition events, mostly in the Olympia, Washington area. Additionally in fiscal year 2016, the WB team made presentations to the Office of Administrative Hearing and Attorney General’s Office.

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## B. Recommendations

**Recommendation III-1      Enhance performance metrics by incorporating more than the 365-day statutory deadline target, including incorporation of target to include draft report target at six months to help the WB team complete its investigations more timely. (Refer to Finding III-3 and Finding III-8.)**

The WB team should formally track its 15-, 60-, 120-, and 365-day statutory deadline timeline targets and associated results on a summary-level basis, plus provide detailed information about results against each target (by case) to upper management on a regular basis to ensure that timeline targets are met, as many of the timeline targets are frequently met only on the target day. Also, such additional performance metrics would more be helpful in identifying how well the WB team is doing against its targets. Also, not a state law change, the Whistleblower team should formally track its capability to complete a draft report early in process, for example in six months, so more timely case completion is achieved.

**Recommendation III-2      Increase the number of Investigators on team to more efficiently perform investigations. (Refer to Finding III-4.)**

The WB team is not overstaffed, but possibly understaffed, with its number of Investigators, especially, if the number of complaints rise in the future. To be able to handle more complaint cases and achieve timeline targets more quickly, the WB team should be able to increase its number of Investigators by at least one, if not two, Investigators. Other states sometimes have more Investigators, as they have more cases, for use on complaints than Washington. Also, having more Investigators would improve the WB team's ability to exceed all of its targets, not just the 1-year completion target, more frequently before the due dates.

Another issue is that with only two Investigators assisting the Lead Investigator, the unavailability of individuals could impact the WB team's complaints, for example, when one of the Investigators could not be at work for some considerable amount of time.

**Recommendation III-3      Develop a plan to revise the Style Guide to incorporate Microsoft Word features. (Refer to Finding III-7.)**

The first step in this effort would be to develop a distinct set of styles that would cover all the written needs (letters, reports, documentation, procedures, etc.). All these styles could be incorporated into the NORMAL.DOTM used by Microsoft Word. The Style Guide should then be updated to reflect these styles. Subsequently staff training to the new Style Guide should be conducted.

**Recommendation III-4      Address minor discrepancies found by Schumaker & Company by establishing procedures for use in future. (Refer to Finding III-8.)**

Many of the discrepancies previously discussed are based on lack of information included in activity log notes, so formal procedures should be developed by the WB Manager to ensure that Investigators incorporate proper information regarding case activity, as previously discussed.

**Recommendation III-5      Perform activities to influence the Legislature to change Washington's Whistleblower definition. (Refer to Finding III-5 and Finding III-9.)**

The SAO/WB management should work to justify to the Legislature that it change Washington State law to provide confidentiality to any State employee who files a whistleblower complaint at the time that it is received by the State, whether it is later rejected or opened and investigated. Many states have that definition and it should be incorporated by the Legislature to ensure that any State employees making complaints should be protected from retaliation by enhanced confidentiality.

Also, it's possible that less anonymous complainants might make complaints, but instead make complaints with contact information, if the definition of a Whistleblower in Washington State law is changed.

**Recommendation III-6      Continue to enhance Whistleblower outreach activities. (Refer to Finding III-10.)**

Specific procedures (not necessarily state law changes) should be established and implemented by SAO to send email messages out to State employees annually, which can be provided to all State employees who have email addresses. The WB team may need to ensure that such email messages are received by State employees, as this hasn't necessarily always happened in the past.

Also poster/brochures should be provided annually digitally to State of Washington agencies, not just post poster/brochures on the WB website, so agencies can display in public areas.

Also, the WB team should continue its presentations to other State of Washington groups, as it previously did in FY2016.

## IV. State Auditor's Office Response



### Washington State Auditor's Office

December 29, 2016

Schumaker & Company  
3101 Walnut Ridge  
Ann Arbor, MI 48103

Dear Schumaker & Company,

Thank you for the opportunity to respond to your performance audit report of the Washington State Whistleblower Program. The following is our response to the ten findings cited in the report and plan of action to address some of your recommendations.

---

#### State Auditor's Office Response to finding numbers III-1 to III-10:

*Finding III-1 -- The Whistleblower Program fundamentally meets each of the project scope requirements with some exceptions discussed in other findings.*

We concur with this finding.

*Finding III-2 -- The Whistleblower Program team has improved its ability to meet its one-year deadline in the past few years.*

We concur with this finding.

*Finding III-3 -- The 365-day statutory deadline target, not other timeline targets, is the primary focus of Whistleblower management.*

We concur that our Office has established one formal performance measure to track compliance with the one-year deadline to complete whistleblower investigations. We will consider adding additional performance measures in the future.



*Finding III-4 -- The WB team's few number of Investigators makes it difficult for Investigators to achieve such timeline targets.*

We do not concur that our Office's ability to meet statutory requirements is impacted by our current staffing. In all but one instance during the audit period, our Office met the requirement to complete whistleblower investigations within one-year.

*Finding III-5 -- Actions required by the WB team based on the prior performance audit have generally been addressed, although some for the Washington Legislature, including changing Washington's definition of Whistleblower, have not been addressed.*

We concur that our Office addressed many of the recommendations made by the program's prior performance auditor. Amendments to the Whistleblower Act, specifically broadening the definition of whistleblowers, can only be made by the state Legislature. In 2016, a bill was drafted and sponsored by legislative members. That bill was not advanced during the session for voting consideration. We will continue to work with legislators to amend state law.

*Finding III-6 -- The technology used within the Whistleblower Program is reasonably current technology.*

We concur with this finding.

*Finding III-7 -- The use of Microsoft Word for document processing could be improved.*

In the report, the auditor identified two conditions resulting in this finding: the terminology in our Office-wide style guide may be out of date and we are not using Microsoft Word to its full capacity.

We do not concur with this finding. The conditions in this finding are not supported by evidence or testing that shows making changes to our style guide or the use of Microsoft Word will improve our document processing for the Whistleblower Program.

*Finding III-8 -- The WB team is essentially in compliance with the Washington WB law based on Schumaker & Company's sampling of complaint cases, although some minor discrepancies occurred.*

We concur that our Program is in compliance with state law. We provided additional documentation to Schumaker & Company that we believe address most of the minor discrepancies that are detailed in the report.

Finding III-9 -- Generally, the Washington Whistleblower Program processes compare favorably with other states; however, Washington is a state that defines a Whistleblower as a complainant whose complaint is opened and investigated, not a complainant whose complaint is rejected, unlike other states.

We concur that, in Washington, a complainant who files with our Office only is afforded whistleblower protection if we initiate an investigation.

Finding III-10 -- The Whistleblower Program outreach activities are improving, but still limited.

We do not concur with the finding that our Program's outreach activities are limited. There is no statutory requirement that the State Auditor's Office perform outreach activities. Individual state agencies, not our Office, are responsible for notifying their employees annually about the program.

**State Auditor's Office Response to recommendation numbers III-1 to III-6:**

Recommendation III-1 -- Enhance performance metrics by incorporating more than the 365-day statutory deadline target, including incorporation of target to include draft report target at six months to help the WB team complete its investigations more-timely. (Refer to Finding III-3 and Finding III-8.)

Compliance with statutory requirements, other than the 1-year deadline to complete investigations, is monitored at the team level. Our Office does not believe there is a cost-benefit of tracking less significant requirements at a formal, agency level.

We do not concur that developing a six-month target to draft reports will make our investigations more-timely. From January 1, 2013 to November 30, 2016, our Office on average completed whistleblower investigations in 209 calendar days. We believe our current process of monitoring investigations is effective.

Recommendation III-2 -- Increase the number of Investigators on team to more efficiently perform investigations. (Refer to Finding III-4.)

We do not concur that increasing the number of investigators will lead to more efficient investigations. There was also no consideration given by Schumaker & Company to what affect adding additional investigative staff would have on our State Audit Division operating budget.



Recommendation III-3 -- Develop a plan to revise the Style Guide to incorporate Microsoft Word features. (Refer to Finding III-7.)

Beginning in January 2017, a newly elected State Auditor will take office. During this transition, the agency style guide may be revised. We reaffirm our position that incorporating additional Microsoft Word features into the Whistleblower Program will not significantly improve our document processing.

Recommendation III-4 -- Address minor discrepancies found by Schumaker & Company by establishing procedures for use in future. (Refer to Finding III-8.)

We will further evaluate the discrepancies identified by Schumaker & Company. Being minor discrepancies, as indicated by the auditor, we have no plans to amend our procedures.

Recommendation III-5 -- Perform activities to influence the Legislature to change Washington's Whistleblower definition. (Refer to Finding III-5 and Finding III-9.)

We will provide this recommendation to the newly elected State Auditor and executive leadership for their consideration.

Recommendation III-6 -- Continue to enhance Whistleblower outreach activities. (Refer to Finding III-10.)

We will continue to evaluate the level and nature of our outreach activities with Program constituents.

We appreciate the opportunity to respond to this report.

Sincerely,



**Jan Jutte**  
Deputy State Auditor