



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

March 13, 2008

Independent Examiner's Report

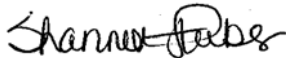
Mr. David Hayasaka, Executive Director
Washington Schools Risk Management Pool
320 Andover Park East
P.O. Box 88700
Tukwila WA 98138

Dear Mr. Hayasaka:

We have examined the Pool's compliance with RCW 48.62, WAC 82.60 and current guidelines established by the State Risk Manager for the years ended August 31, 2003, 2004, 2005, 2006 and 2007. The accuracy of information provided by Washington Schools Risk Management Pool (WSRMP) is the responsibility of the Pool's management. Our responsibility is to express an opinion based on our examination.

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

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



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

Examination Summary

**Washington Schools Risk Management Pool
Tukwila, Washington
March 13, 2008**

Our Examination

This report contains the results of our independent compliance examination of Washington Schools Risk Management Pool (WSRMP).

We performed procedures to determine whether the Pool complied with state laws and regulations, in addition to guidelines adopted by the State Risk Manager. The areas examined were selected based on an analysis of financial trends and transactions from the period September 1, 2002 through August 31, 2007.

Examination Results

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

Examiner's Remarks

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

Areas Examined

Washington Schools Risk Management Pool Tukwila, Washington March 13, 2008

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

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

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

About the Local Government Self-Insurance Program

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

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

About Washington Schools Risk Management Pool

The Washington Schools Risk Management Pool provides 66 member school districts and six educational service districts with property and liability coverage to reduce the amount and frequency of member district losses and to decrease the cost incurred by members in the handling and litigation of claims. The Pool administers a joint protection program through which the members jointly pool and self insure losses and claims, and jointly purchase excess insurance.

A Board of Directors, comprised of one representative from each member district, provides oversight to the program. The daily operations of the Pool are managed by an executive director. The Pool provides services including claims adjusting, data processing, risk-management consulting, loss prevention, legal and related services to members. Washington Schools Risk Management Pool is governed by an Executive Board of nine voting members representing school districts, one voting member representing cooperatives and one non-voting member from each of the educational service districts.