



KING COUNTY AUDITOR'S OFFICE

Kymber Waltmunson, County Auditor

Auditing grants for the public interest

Megan Ko

PACIFIC NORTHWEST INTERGOVERNMENTAL AUDIT FORUM | April 28, 2026





Overview

- Scoping – Select grants
- Fieldwork – Detect improper payments
- Reporting – Prioritize public interest

Context setting – Hi, from King County

King County, the 12th
most populous
county in the U.S.

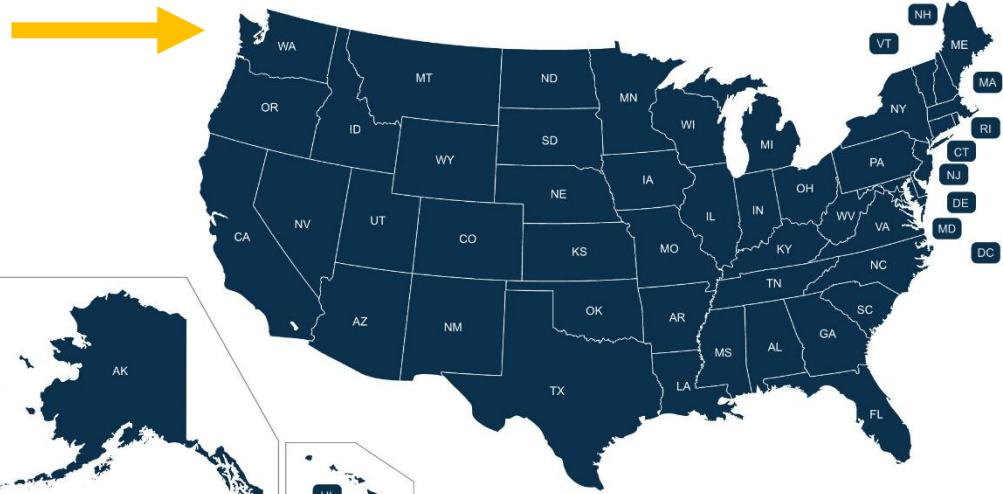
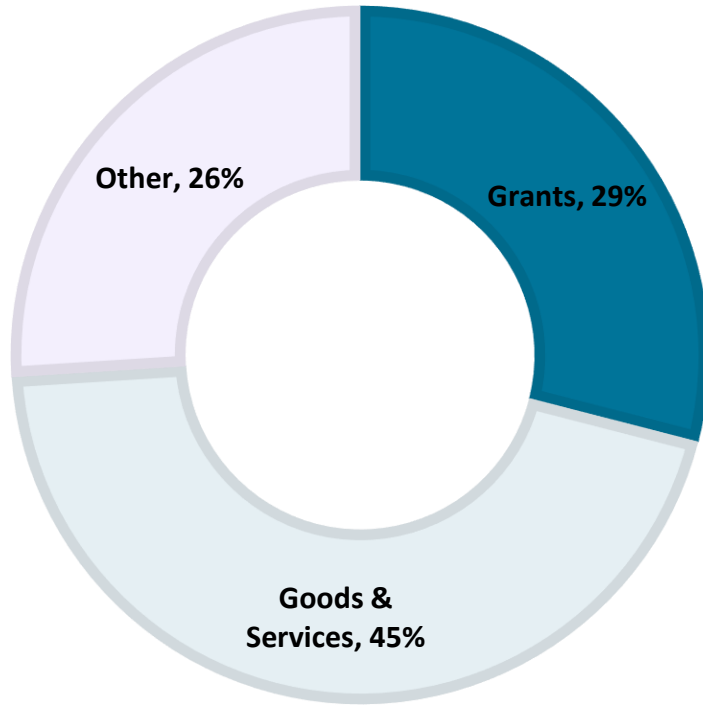


Image sources: Washington State Employment Security Department (left) and U.S. Department of State (right)

Context setting – Procurement spend



With grant spending of
\$921 million

King County spent
\$3.3 billion
in 2024



Scoping – Beyond the numbers

- 1. Tips, concerns (internal and external)
- 2. Funding source
- 3. Comparators or control
- 4. Contract status

Scoping – Our audit

4 programs	36 grants	Locally funded	\$34 million
Family Intervention and Restorative Services	3	<ul style="list-style-type: none">• MIDD Levy• King County• City of Seattle	\$2.8M
Liberation and Healing from Systemic Racism	19	<ul style="list-style-type: none">• Best Starts for Kids Levy	\$10.5M
Restorative Community Pathways	6	<ul style="list-style-type: none">• General Fund• Best Starts for Kids Levy	\$12.5M
Stopping the School-to-Prison Pipeline	8	<ul style="list-style-type: none">• Best Starts for Kids Levy	\$8.6M

Fieldwork – Improper payment focus



United States Government Accountability Office
By the Comptroller General of the
United States

May 2025

Standards for Internal Control in the Federal Government

Principle 8 - Assess
Fraud, Improper
Payment, and
Information Security
Risk

improper payment: Any payment that should not have been made or that was made in an incorrect amount (e.g., overpayments and underpayments); payments are also considered improper when there is insufficient or lack of documentation (paragraph 8.11)

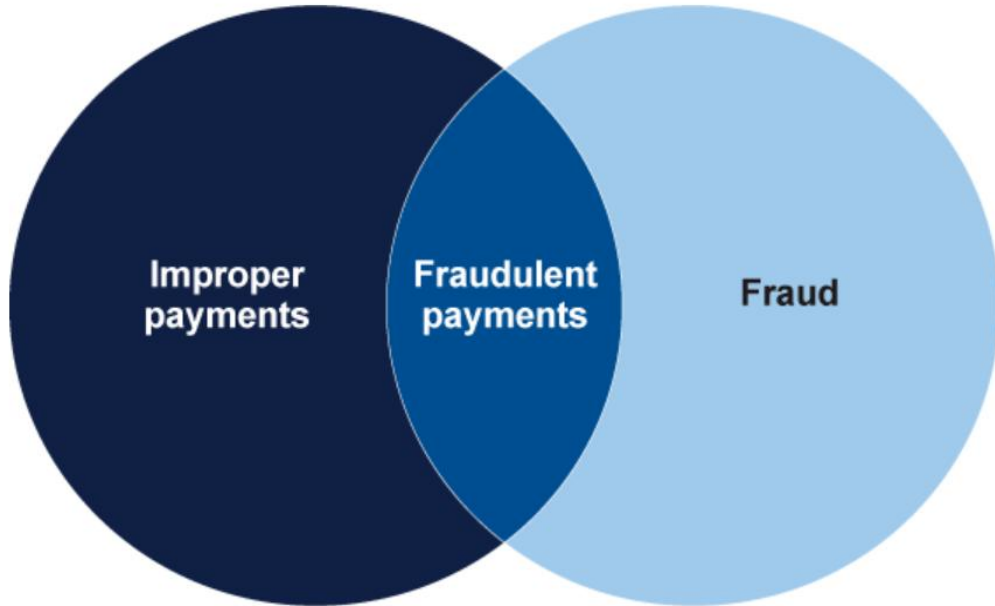




Fieldwork – Review expense reports

- Against contract terms
 - \$37,500 recovery
- Against line-item budget
 - \$106,000 issue
- For other questionable items
 - \$7,300 concern

Fieldwork – Identifying fraud risk



Auditors should assess risk of fraud throughout the audit (8.71-72)

Fraud: Involves obtaining something of value through willful misrepresentation (8.73)

Image source: U.S. Government Accountability Office, GAO-24-106608



Fieldwork – Identifying fraud risk

- Grantee websites
- Secretaries of State and IRS search
- Employee financial disclosures



Reporting – Finding likely fraud

- If evidence shows **likely fraud**, auditors report it as a finding (9.40)
- Determining if an act is **actual fraud** is not an auditors' responsibility (8.73)

Reporting – Misinformation likely

- Potential fraud → Actual fraud
- How much → Extrapolating judgmental sample
- Who did it → No one held accountable

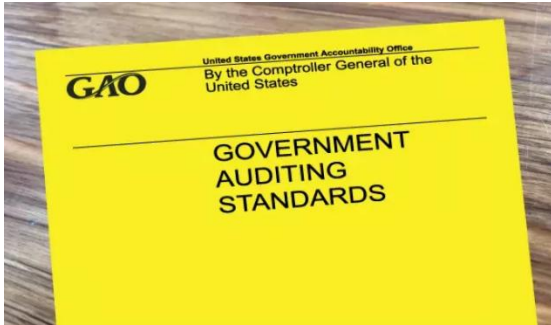


Reporting – Highly visible caveats

- The role of audit (detection)
- The role of others (response)
- What we didn't find
- What's next



Reporting – Under pressure



“In resolving [conflicting pressures], acting with integrity means that auditors place priority on their responsibilities to the public interest.” (3.10)



Let's discuss

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