

Washington State Auditor's Office
Accountability Audit Report

**Washington State Dairy Products
Commission**

Report Date
January 6, 2014

Report No. 1011530

Issue Date
March 31, 2014



WASHINGTON
TROY KELLEY
STATE AUDITOR



Washington State Auditor Troy Kelley

March 31, 2014

Ms. Janet Liester, General Manager
Washington State Dairy Products Commission

Report on Accountability

We appreciate the opportunity to work in cooperation with your Commission to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the Washington State Dairy Products Commission's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

TROY KELLEY
STATE AUDITOR

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Audit Summary

State of Washington Washington State Dairy Products Commission

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington State Dairy Products Commission from January 1, 2011 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the Commission. We also determined whether the Commission complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Promotional hosting expenditures
- Open Public Meetings Act
- Competitive bid requirements

RESULTS

In the areas we examined, the Commission's internal controls were adequate to safeguard public assets. The Commission also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

**State of Washington
Washington State Dairy Products Commission
January 6, 2014**

FINANCIAL

We perform an annual audit of the statewide basic financial statements, as required by state law (RCW 43.09.310). Our opinion on these financial statements is included in the Comprehensive Annual Financial Report (CAFR) prepared by and available from the Office of Financial Management. The CAFR reflects the financial activities of all funds, organizations, institutions, agencies, departments and offices that are part of the state's reporting entity. That report is issued by the Office of Financial Management in December of each year and can be found at www.ofm.wa.gov.

FEDERAL PROGRAMS

In accordance with the Single Audit Act, we annually audit major federal programs administered by the state of Washington. Rather than perform a single audit of each agency, we audit the state as a whole. The results of that audit are published in a report issued by the Office of Financial Management in March of each year.

Description of the Commission

State of Washington Washington State Dairy Products Commission

ABOUT THE COMMISSION

The Washington State Dairy Products Commission was created by state law to promote the sale of dairy products in Washington State. The Commission's goal is to increase business for Washington's dairy producers by partnering with major grocery retailers, quick service restaurants and dairy processors, manufacturers and others as necessary for business operations and promotions. The Commission utilizes paid media (advertising, sponsorships and Internet) and unpaid media (publicity and public relations work) to convey key messages about dairy products and dairy producers to the public. In addition, the Commission supports a nutrition education program by providing school teachers and health professionals with nutrition resources. This work helps to position dairy products as nutrient dense and an essential part of a healthy diet. In addition, the Commission funds research designed to improve milk production, quality, transportation, processing and distribution and to develop more efficient and equitable methods of marketing dairy products, and enter upon, singly or in participation with others, the promotion and development of state, national or foreign markets.

A nine-member Board governs the Commission. The Board consists of seven representatives from Washington dairy producers, one representative from dairy processors and one representative from the Department of Agriculture; all Board Members are appointed by the Director of the Department of Agriculture. The Commission has 17 employees. The Commission is funded by dairy producer and processor assessment fees and it does not receive any state funding. In 2011 the Commission had operating revenue of \$7,134,073 and in 2012 the Commission had operating revenue of \$7,144,220.

APPOINTED OFFICIALS

These officials served during the audit period:

Commission Board Members:

Liz Anderson
Dan DeGroot
Genny DeRuyter
Kirk Robinson
Michelle Schilter
Kima Simonson
Cathy Thomasson
Brian Linney
Robert Smit

COMMISSION CONTACT INFORMATION

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Website: www.havemilk.com

AUDIT HISTORY

We audit the Commission every two years. We have reported no findings in the last five years.



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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Director of Local Audit
Deputy Director of State Audit
Deputy Director of Local Audit
Deputy Director of Local Audit
Deputy Director of Quality Assurance
Deputy Director of Communications
Local Government Liaison
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