



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report
Skamania County

For the period January 1, 2012 through December 31, 2013

Published September 29, 2014

Report No. 1012745





Washington State Auditor Troy Kelley

September 29, 2014

Board of Commissioners
Skamania County
Stevenson, Washington

Report on Accountability

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

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

The attached comprises our report on the County's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR

TABLE OF CONTENTS

Audit Summary	4
Status Of Prior Audit Findings	5
Related Reports	6
Information About The County	7
About The State Auditor's Office.....	8

AUDIT SUMMARY

Results in brief

In the areas we audited, County operations complied with applicable requirements and provided adequate safeguarding of public resources. The County also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of Skamania County from January 1, 2012 through December 31, 2013.

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

Our audit involved performing procedures to obtain evidence about the County's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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

- Assessor's Office
 - Property valuation
 - Conflicts of interest
 - Exemptions/current use programs
- Sheriff's office
 - Evidence room
 - Use of investigative funds
 - Citations/infractions
- Open Public Meetings Act – minutes
- Jail – cash receipting
- Status of prior audit recommendations
- Citizen hotline
- County treasurer investment activities
- Use of restricted funds such as E-911 and real estate technology funds

STATUS OF PRIOR AUDIT FINDINGS

The status of findings contained in the prior years' audit reports of Skamania County is provided below:

1. The County did not effectively manage its Equipment Rental and Revolving Fund, which resulted in restricted funds being used inappropriately.

Report No. 1008313, dated September 6, 2012

Background

The County operates an Equipment Rental and Revolving Fund (ER&R) to centralize the management of costs associated with equipment, vehicles and materials. This includes setting aside funds for future replacement and routine maintenance. The County is required to establish rates sufficient to recover costs of the fund. The established rate is charged to the users monthly.

Our audit found the County did not establish rates sufficient to recover costs for maintenance and operations in 2010 and did not charge users any maintenance and operation costs in 2011. Instead the County used cash reserves designated for future capital replacement for current operations. We determined departments were undercharged \$828,548 for the two-year period.

The County continued to use money set aside for capital replacement to fund maintenance and operating expenses in 2012. The ending fund balance on December 31, 2011 was \$173,488. We determined the fund should have had an ending balance for future capital replacement of at least \$1,011,146.

Status

The County has since started to bill departments on a monthly basis for equipment maintenance and capital replacement charges. Additionally, the County has since established subfunds within ER&R to help it better track its costs for maintenance and capital replacement. In 2012 the County passed a resolution creating an inter-fund repayment plan to reimburse the Equipment Rental and Revolving Fund for the unbilled amounts identified in the prior audit. As of the end of 2013, the County still owed approximately \$388,928 to its ER&R fund.

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County's financial statements.

That report includes a finding for a material weakness in internal controls over financial reporting regarding the preparation of the County's financial statements.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the County's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report. That report includes a federal finding regarding noncompliance with allowable cost, reporting and matching requirements relating to the Federal Forest program.

INFORMATION ABOUT THE COUNTY

Skamania County serves approximately 10,833 citizens. It is governed by an elected, three-member Board of Commissioners. For fiscal year 2012, the County operated on an original budget of over \$25 million and employed 220 people. For fiscal year 2013, the County operated on an original budget of over \$25 million and employed 190 people. Its employees provide an array of services including general government, economic development, solid waste disposal, cultural and recreational services, senior services, building and planning, law enforcement, community health and transportation.

Contact information related to this report

Address:	Skamania County 240 N.W. Vancouver Avenue P.O. Box 790 Stevenson, WA 98648
Contact:	Heidi Penner, Financial Management Administrator
Phone:	(509) 427-3736
Website:	www.skamaniacounty.org

Information current as of report publish date.

Audit history

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

ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

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

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

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

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov