



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report

Chehalis River Basin Flood Authority

Lewis County

For the period January 1, 2012 through December 31, 2014

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Washington State Auditor's Office

February 4, 2016

Executive Board
Chehalis River Basin Flood Authority
Chehalis, 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 Authority 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 Authority'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
OLYMPIA, WA

TABLE OF CONTENTS

Audit Summary.....	4
Information About The Authority.....	5
About The State Auditor’s Office.....	6

AUDIT SUMMARY

Results in brief

In the areas we audited, Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Authority 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 the Chehalis River Basin Flood Authority from January 1, 2012 through December 31, 2014.

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 Authority'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:

- Open public meetings
- Vendor trend analysis
- Contracts and agreements
- Disbursements

INFORMATION ABOUT THE AUTHORITY

The Chehalis River Basin Flood Control Authority was formed in May 2008 to lead the effort to evaluate flooding issues throughout the Chehalis River Basin and identify and prioritize flood hazard mitigation projects. The Authority consists of officials from jurisdictions in the Basin that are affected by flooding, including Lewis County (lead agency), Thurston County, Grays Harbor County, the Cities of Centralia, Chehalis, Montesano, Aberdeen, Oakville, Napavine and Cosmopolis and the Towns of Pe Ell and Bucoda. An interlocal agreement was adopted by these jurisdictions for the purpose of study, analysis and implementation of flood control projects to protect the Chehalis River Basin. The Authority's budget is established by the Office of Financial Management (OFM) during each State budget biennium. Once the budget is established, OFM reimburses the Authority on a monthly basis for expenditures. For fiscal years 2012 through 2014, the Authority had expenditures of \$637,086, \$193,135 and \$383,513, respectively.

The Authority is governed by a Board comprised of one nonvoting Director appointed ex officio by the state, one voting Director appointed by each Member and one voting Director appointed jointly by the cities within the boundaries of the Authority. An Executive Officer administers the Authority's day-to-day operations.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Chehalis River Basin Flood Authority 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.

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