

Washington State Auditor's Office

Accountability Audit Report

Whitworth Water District No. 2 Spokane County

Report Date
August 27, 2014

Report No. 1012543

Issue Date
September 15, 2014



**Washington State Auditor
Troy Kelley**

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

September 15, 2014

Board of Commissioners
Whitworth Water District No. 2
Spokane, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District 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 Whitworth Water District No. 2'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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Spokane County
August 27, 2014

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Audit Summary

Whitworth Water District No. 2 Spokane County August 27, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Whitworth Water District No. 2 from January 1, 2013 through December 31, 2013.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District 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:

- Procurement (bidding/prevaling wage)
- Billing/receivables (utilities)
- Financial condition
- Third party cash-receipting (utilities)

RESULTS

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

Related Reports

**Whitworth Water District No. 2
Spokane County
August 27, 2014**

FINANCIAL

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements.

Description of the District

Whitworth Water District No. 2

Spokane County

August 27, 2014

ABOUT THE DISTRICT

Whitworth Water District No. 2 was incorporated in 1939. At the request of the Washington State Department of Health, the District continues to take over smaller water districts. The District owns and operates 12 booster stations, 19 wells and 12 reservoirs comprising one water system that currently supports more than 10,900 water connections in northern Spokane County.

An elected, five-member Board of Directors governs the District. The Board appoints a Manager to oversee the District's daily operations as well as its 15 employees. The District operated on an annual budget of approximately \$4.5 million for 2013.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Dennis Brown, President
Rick Koller, Secretary-Treasurer
Irene Anderson
Chris Johnson
Chandler Bailey

APPOINTED OFFICIALS

District Manager
Maintenance Superintendent
Maintenance Supervisor

Susan McGeorge
Doug Babin
Tom Davis

DISTRICT CONTACT INFORMATION

Address: Whitworth Water District No. 2
N. 10828 Waikiki Road
Spokane, WA 99218

Phone: 509-466-0550

Website: www.whitworthwater.com

AUDIT HISTORY

We audit the District annually. The past 10 audits have been free of findings. We believe this reflects the District's commitment to strong internal controls and compliance with state laws.



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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