



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

**Mason County Public Transportation
Benefit Area
(Mason Transit Authority)**

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

Published September 29, 2014

Report No. 1012706





Washington State Auditor Troy Kelley

September 29, 2014

Board of Directors
Mason Transit Authority
Shelton, 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

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AUDIT SUMMARY

Results in brief

In most 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.

However, we noted certain matters that we communicated to the Authority management in a letter dated September 9, 2014 related to program income for a state grant. We appreciate the Authority's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Mason Transit Authority from January 1, 2013 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 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:

- Third party cash-receipting
- Safeguarding of small and attractive assets
- Self insurance/risk management
- Payroll performance awards
- Payments/expenditures
- Compliance with grant requirements
- Financial condition
- Cash receipting

RELATED REPORTS

Financial

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

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Authority'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 program income reported.

INFORMATION ABOUT THE AUTHORITY

Mason Transit Authority was established by public vote in 1991 to provide bus service to all of Mason County. The Authority has approximately 75 vehicles consisting of coaches, minibuses, vans, maintenance and operations vehicles. In addition to normal routed service, the Authority has several coaches providing service to Naval Base Kitsap as part of the Worker Driver program. It also operates approximately 29 Vanpools and contracts with the Shelton School District to provide limited transportation services.

A nine-member Board of Directors governs the Authority. The Board consists of three Mason County Commissioners, one City of Shelton Commissioner, three rotating school district board members and a board member from a local hospital district and fire district. The Board appoints a General Manager to oversee the Authority's daily operations as well as its approximately 80 full- and part-time employees. For fiscal year 2013, the Authority operated on an annual budget of approximately \$7.6 million.

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|--|---|
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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Mason Transit 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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