



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

Kitsap County

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

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Washington State Auditor Troy Kelley

December 18, 2014

Board of Commissioners
Kitsap County
Port Orchard, 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

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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 Kitsap County 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 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:

- County investments
- Auditor's Office – cash receipting
- Public Works Department – cash receipting
- Land Information System and electronic Real Estate Excise Tax review
- Procurement – contract monitoring
- Sheriff and jail ammunition inventory
- Updated understanding of internal controls in departments throughout the County
- Village Green Golf Course
- County Jail
- Public disclosure
- Recovery center – cash receipting
- Silverdale recycling center
- Citizen concern – procurement for shooting range noise ordinance
- Citizen concern – electronic Real Estate Excise Tax errors
- Superior Court – bail bond forfeitures

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.

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.

Other reports

During the current audit period, the State Auditor's Office issued a report on a greed-upon procedures performed at the County in July 2014. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

Kitsap County was formed in 1857 from parts of King and Jefferson counties and includes four incorporated cities: Bremerton, Bainbridge Island, Poulsbo and Port Orchard. The County is home to the Puget Sound Naval Shipyard, Naval Base Kitsap and the Keyport Undersea Warfare Research Station. It serves approximately 256,536 citizens.

The County is governed by a three-member Board of Commissioners, elected by district voters to staggered, four-year terms. Additional elected officials help administer the County including Assessor, Auditor, Clerk, Coroner, Prosecutor, Sheriff, Treasurer and judges for the District and Superior Courts. The County has approximately 1,200 employees.

The County provides some services on a countywide basis and some services only to unincorporated areas. Services include road construction and maintenance, flood control, parks and recreation facilities, court services, law enforcement and criminal detention. In addition, the County provides tax assessments and collections, planning, zoning, rehabilitative services, public health care, election administration, treasury services and processing and disposing of solid and liquid wastes. The County operates on an annual budget of approximately \$225 million.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for Kitsap 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.

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