



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report

Port of Benton

Benton County

For the period January 1, 2013 through December 31, 2014

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Washington State Auditor's Office

February 8, 2016

Board of Commissioners
Port of Benton
Richland, 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 Port 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 Port'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,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

TABLE OF CONTENTS

Audit Summary	4
Schedule Of Prior Federal Audit Findings.....	5
Related Reports	7
Information About The Port.....	8
About The State Auditor’s Office.....	9

AUDIT SUMMARY

Results in brief

In the areas we audited, Port operations complied with applicable requirements and provided adequate safeguarding of public resources. The Port 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 Port of Benton from January 1, 2013 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 Port'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:

- Procurement-public works
- Procurement-professional services
- State grants
- Credit cards
- Payroll disbursements

SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Port of Benton Benton County January 1, 2014 through December 31, 2014

This schedule presents the status of federal findings reported in prior audit periods. The status listed below is the representation of the Port of Benton. The State Auditor's Office has reviewed the status as presented by the Port.

Audit Period: 2013	Report Ref. No.: 1012579	Finding Ref. No.: 2013-001	CFDA Number: 11.300
Federal Program Name and Granting Agency: Investment for Public Works and Economic Development Facilities U.S. Dept. of Commerce		Pass-Through Agency Name: Economic Development Administration	
Finding Caption: The Port lacked adequate internal controls to ensure compliance with federal Davis-Bacon Act (prevailing wage) requirements.			
Background: The Port spent approximately \$1.7 million in Public Works and Economic Development Facilities grant funds. The funds were used to build a wine and culinary center. The Davis-Bacon Act applies to federally funded construction projects that exceed \$2,000. The Act requires contractors to pay federally prescribed prevailing wages to laborers. To document compliance, recipients of federal funds must obtain certified payrolls for all contractors and subcontractors on a weekly basis. During the course of our audit, we identified internal control weaknesses which are considered significant deficiencies. The Port hired an engineering firm to manage the project, which included the collection and review of weekly certified payrolls for compliance with prevailing wage requirements. The firm did not have a process to ensure it obtained weekly certified payrolls from all of the subcontractors and did not ensure that they were submitted and reviewed timely. The Port did not adequately monitor the firm to ensure compliance with the Davis-Bacon Act.			
Status of Corrective Action: (check one) <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> No Corrective Action Taken <input type="checkbox"/> Finding is considered no longer valid			
Corrective Action Taken: <i>Since the Prior Audit Finding the Port of Benton prepares a binder and a spreadsheet for each Federal Construction Project that we have to document the certified payroll reports for the General Contractor and Sub-Contractor.</i>			

Each week Veronica Montez, Admin Asst. at the Port receives the certified payroll reports. A spreadsheet is updated which details the week ending dates, Intents and Affidavits and other pertinent information.

Veronica then verifies that all Contractors have provided a weekly certified payroll report or has provided other documentation if a certified payroll report is not received.

- The Port utilizes the engineer/architect's daily or weekly inspection reports when available to determine what contractors/subcontractors were on the job site.*
- FAA weekly reports for FAA construction projects are also used to determine contractors/subcontractors are on the job site.*

The engineer/architect also receives the certified payroll reports and keeps a backup copy of the information. The engineer/architect also performs their own analysis of the reports and provide the Port with secondary review of the certified payroll reports and notify the Port if there are any irregularities or concerns.

RELATED REPORTS

Financial

Our opinion on the Port's financial statements is provided in a separate report, which includes the Port's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE PORT

The Port of Benton, located in Benton County, was established in 1958 to promote industrial development in the Columbia Basin and Yakima Valley. Major facilities owned and operated by the Port include Prosser and Richland airports, 16 miles of railroad, Prosser Wine and Food Park, Technology and Business Campus, Richland Manufacturing Mall and Richland Industrial Center, Benton City Industrial Park and Prosser Vintners Village.

An elected, three-member Board of Commissioners governs the Port. The Board appoints management to oversee the Port's daily operations as well as its 16 employees. Revenues are approximately \$6.7 million annually.

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 the Port of Benton 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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