



**Washington State Auditor's Office**

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## **Accountability Audit Report**

# **Discovery Clean Water Alliance**

**Clark County**

**For the period January 1, 2015 through December 31, 2015**

**Published May 26, 2016**

**Report No. 1016704**





## Washington State Auditor's Office

May 26, 2016

Board of Directors  
Discovery Clean Water Alliance  
Vancouver, 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 Alliance 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 Alliance'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 black ink that reads "Troy X. Kelley". The signature is written in a cursive style.

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, Alliance operations complied with applicable requirements and provided adequate safeguarding of public resources. The Alliance 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 Discovery Clean Water Alliance from January 1, 2015 through December 31, 2015.

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 Alliance'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 meeting minutes
- Debt covenants
- Payments to operators
- Transfer of operations/agreements with members

## RELATED REPORTS

### **Financial**

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

## INFORMATION ABOUT THE ALLIANCE

The Discovery Clean Water Alliance was officially formed in 2013, and began full operations in 2015, to provide regional wastewater transmission and treatment services to Clark County, Clark Regional Wastewater District and the Cities of Battle Ground and Ridgefield. These four governments jointly own and manage the Alliance through an interlocal framework established under the Joint Municipal Utility Services Act (RCW 39.106).

The Alliance has no employees and contracts with Clark Regional Wastewater District to perform administrative responsibilities. During 2015, the Alliance had annual revenues of approximately \$8.8 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 the Discovery Clean Water Alliance 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.

Contact information for the State Auditor's Office	
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