



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Cascade Valley Water District

Grant County

For the period January 1, 2015 through December 31, 2016

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December 14, 2017

Board of Commissioners
Cascade Valley Water District
Moses Lake, 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 District 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 District'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,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District 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 Cascade Valley Water District from January 1, 2015 through December 31, 2016.

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 District'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:

- Financial condition
- Cash receipting
- General disbursements

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Cascade Valley Water District Grant County January 1, 2015 through December 31, 2016

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

Audit Period: January 1, 2012 through December 31, 2014	Report Ref. No.: 1015910	Finding Ref. No.: 2014-01
Finding Caption: The District's inadequate monitoring of financial activity puts the District at risk for loss of public funds and for not being able to meet financial obligations.		
Background: The District's Board of Commissioners did not obtain and review adequate information about the District's financial activities and condition in order to make informed decisions about the District's utility rates, billing practices and contracted expenses. The Board of Commissioners also did not consistently review financial reports from Grant County's accounting department and the District did not always retain the reports. During the prior audit period, the District had a negative cash balance and borrowed money from the County to sustain operations. The Board of Commissioners did not enter into formal contracts that identified clear and comprehensive responsibilities, nor did the Board establish oversight procedures over contracted activities with private individuals to perform most District operations. We recommended the District: Establish effective monitoring and oversight of financial operations including reviewing financial reports, monitoring the billing and receipting systems, and ensuring supporting documentation is maintained for disbursements. Deposit receipts within 24 hours as required by statute.		
Status of Corrective Action: (check one) <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Hired independent operator. Started collection of past due accounts. Make consistent deposits, collect and deposit monthly receipts. Work to make sure accounts are kept accurate. Turn system around as needed for operation.</i>		

INFORMATION ABOUT THE DISTRICT

The Cascade Valley Water District was established in the 1950s to provide water to customers residing within the Cascade Valley.

An elected, three-member Board of Commissioners governs the District. The District has one contracted service provide who performs most District operations. The District spent approximately \$72,000 and \$73,000 in 2015 and 2016, respectively.

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 Cascade Valley Water District 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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