



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Port of Silverdale

Kitsap County

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

Published December 14, 2017

Report No. 1020342





Office of the Washington State Auditor
Pat McCarthy

December 14, 2017

Board of Commissioners
Port of Silverdale
Silverdale, 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,

Pat McCarthy
State Auditor
Olympia, WA

TABLE OF CONTENTS

Audit Summary	4
Information About The Port.....	5
About The State Auditor’s Office.....	6

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 Silverdale 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 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:

- Financial condition
- Leases
- Credit card disbursement
- Cash receipting (moorage)
- Procurement (on-call contracts)

INFORMATION ABOUT THE PORT

The Port of Silverdale, located in Kitsap County, was formed in 1920 to provide transient moorage and related services. The Port includes approximately 16 square miles with over 21,500 residents and a regional shopping center. The Port and Kitsap County created an inter-local agreement in 1976 to develop, construct and maintain a public park and recreational moorage facility. A 1984 land swap with the county enabled development of the county's Waterfront Park and construction of the Port's transient moorage facilities. During 1993, the Port developed a boat ramp and parking area. In addition, the Port has purchased rental properties for future development.

The Port receives most of its funding through property taxes and had revenue of approximately \$728,000 and \$732,000 in 2015 and 2016, respectively. The Port is governed by a three-member board of commissioners. The Port hired its first employee in 2010 to conduct administrative-type duties and contracts for most other services, including security, and facility maintenance and repair.

Contact information related to this report	
Address:	Port of Silverdale P.O. Box 310 Silverdale, WA 98383
Contact:	Theresa Haaland, Port Auditor
Telephone:	(360) 698-4918
Website:	www.portofsilverdale.com

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Port of Silverdale 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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov