



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Chehalis River Basin Flood Authority

For the period January 1, 2015 through December 31, 2017

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**Office of the Washington State Auditor
Pat McCarthy**

January 10, 2019

Board of Directors
Chehalis River Basin Flood Authority
Chehalis, 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 Flood Authority 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 independent audit report on the Flood Authority's compliance with applicable requirements and safeguarding of public resources for the 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 Results.....	4
Information about the Flood Authority.....	5
About the State Auditor's Office.....	6

AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Flood Authority operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

About the audit

This report contains the results of our independent accountability audit of the Chehalis River Basin Flood Authority from January 1, 2015 through December 31, 2017.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Flood Authority'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, based on our risk assessment for the years ended December 31, 2017, 2016 and 2015, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Compliance with state grant requirements
- Personal service supplemental contracts
- Financial condition and fiscal sustainability
- Open public meeting minutes

INFORMATION ABOUT THE FLOOD AUTHORITY

The Chehalis River Basin Flood Authority (Flood Authority) was formed in May 2008 to lead the effort to evaluate flooding issues throughout the Chehalis River Basin and to identify and prioritize flood hazard mitigation projects and related activities. The Flood Authority consists of officials from jurisdictions in the Basin that are affected by flooding including Lewis County (lead agency), Thurston County, Grays Harbor County, the Cities of Centralia, Chehalis, Napavine, Aberdeen, Cosmopolis, Hoquiam, Montesano, Oakville, and the Towns of Pe Ell and Bucoda. An inter-local agreement was adopted by these jurisdictions for the purpose of study, analysis and implementation of flood hazard reduction projects to protect the Chehalis River Basin.

The Flood Authority's budget has historically been established by the Office of Financial Management (OFM) during each state budget biennium. Now, with the new Office of Chehalis Basin, the budget is established by the Office of Chehalis Basin, the Chehalis Basin Board, and the Washington State Department of Ecology. Expenditures on behalf of the Chehalis River Basin Flood Authority are reimbursed through Interagency Agreement with the Washington State Recreation and Conservation Office.

For fiscal years 2015-2017 the Flood Authority had expenditures of \$221,573, \$287,771 and \$534,960, respectively.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Chehalis River Basin Flood Authority 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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