



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Tahuya River Valley Water District

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

Published January 17, 2019

Report No. 1023081





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

January 17, 2019

Board of Commissioners
Tahuya River Valley Water District
Belfair, 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 independent audit report on the District'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

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AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District 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 Tahuya River Valley Water District 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 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, 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 vehicle surplus requirements
- Utility billing and cash receipting
- General disbursements
- Payroll supporting documentation and Commissioner compensation limits
- Open public meeting minutes and executive session compliance
- Accuracy and timeliness of financial report filing
- Financial condition and fiscal sustainability

Tahuya River Valley Water District

P.O Box 849
Belfair, WA 98528

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Tahuya River Valley Water District Mason County January 1, 2015 through December 31, 2017

This schedule presents the status of findings reported in prior audit periods.

Audit Period: January 1, 2012 through December 31, 2014	Report Ref. No.: 1015857	Finding Ref. No.: 2014-001
Finding Caption: The District should continue to improve internal controls over District activities and compliance with state laws.		
Background: During the 2009-2011 audit, we identified internal control weaknesses over customer billings, cash receipting procedures, annual report filings and retention of public records, which resulted in two material weakness audit findings. During the 2012-2014 audit, we noted the following control deficiencies continue to exist: <ul style="list-style-type: none">• We identified the District's possible inability to continue to operate as a going concern• Although the District had a billing system for water sales it was not effective or reliable to ensure all customers were billed on a consistent basis for 2012 and 2013.• The individuals in charge of governing the District did not adequately monitor operations to ensure the 2012 annual financial reports were filed with our Office by the statutory deadline.• The District did not have procedures in place to ensure supporting documentation for expenditures, customer billings and customer receipts for 2012 and 2013 were properly maintained.		
Status of Corrective Action: (check one) <input 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>The district hired a new bookkeeper which corrected billing practices, annual reporting and proper documentation and storage. The district also hired an accounting firm for payroll and payroll reporting.</i>		

INFORMATION ABOUT THE DISTRICT

Tahuya River Valley Water District is governed by a three member Board of Commissioners. They currently have 140 active customers, and generated \$51,212, \$62,654 and \$65,082 in revenues in 2015, 2016 and 2017, respectively.

Contact information related to this report	
Address:	Tahuya River Valley Water District P.O. Box 849 Belfair, WA 98528
Contact:	Anthony Butler, Bookkeeper
Telephone:	360-275-9507

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Tahuya River 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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