



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report **Cascade Water Alliance** King County

For the period January 1, 2014 through December 31, 2014

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Washington State Auditor's Office

December 10, 2015

Board of Directors
Cascade Water Alliance
Bellevue, 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 cursive script that reads "Troy X. Kelley".

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 Cascade Water Alliance from January 1, 2014 through December 31, 2014.

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:

- Conservation rebate program
- Payments/expenditures
- Procurement (emergency waiver/performance, bond/prevaling wage/retainage)
- Financial condition

RELATED REPORTS

Financial

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available from Cascade Water Alliance.

INFORMATION ABOUT THE ALLIANCE

The Cascade Water Alliance is a joint municipal utility services authority located in Bellevue, Washington. Its membership consists of the cities of Bellevue, Issaquah, Kirkland, Redmond and Tukwila, along with the Sammamish Plateau Water and Sewer District and the Skyway Water and Sewer District. The Alliance was organized to coordinate and plan cooperatively with other regional water providers and local nonmember water utilities, to maximize supply availability and to minimize system costs.

Created in 1999, Cascade Water Alliance converted from a Washington State nonprofit corporation to a Washington State Joint Municipal Service Authority on July 12, 2012. The Alliance supplies over 350,000 King County residents and 20,000 businesses.

The Alliance is governed by a Board of Directors that consists of seven elected officials, appointed from member entities. Operating expenditures for 2013 and 2014 totaled \$30.8 million and \$33.7 million, respectively. The Alliance has eleven employees.

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Cascade 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.

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