



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

## Accountability Audit Report

# Port of Port Angeles

Clallam County

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

Published August 21, 2017

Report No. 1019673





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

August 21, 2017

Board of Commissioners  
Port of Port Angeles  
Port Angeles, 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

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## 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 Port Angeles from January 1, 2016 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:

- Accounting/financial reporting
- Cash receipting
- Credit cards and accounts
- Promotional hosting
- Procurement (bidding/prevaling wage)
- Change orders
- Financial condition

## RELATED REPORTS

### **Financial**

Our opinion on the Port's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Port's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Port's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding regarding internal controls and compliance related to Davis-Bacon Act wage rate requirements reported. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Other reports**

During the current audit period, the State Auditor's Office issued a report on agreed-upon procedures performed at the Port. This was a separate audit to examine the Port's compliance with Passenger Facility Charges requirements, as required by the Federal Aviation Agency. That report was issued as part of our financial statement and single audit report and is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE PORT

The Port of Port Angeles is a small classified port district located in Clallam County. The Port provides an array of services including marine terminals, log yard, marinas, airports, industrial parks and rental properties.

An elected, three-member Board of Port Commissioners governs the Port. The Board appoints an Executive Director to manage the Port's daily operations and its staff of approximately 50 employees. For 2016, the Port operated on annual operating budget of approximately \$8.9 million.

### Contact information related to this report

Address:	Port of Port Angeles P.O. Box 1350 Port Angeles, WA 98362
Contact:	John Nutter, Finance Director
Telephone:	(360) 417-3362
Website:	<a href="http://www.portofpa.com">www.portofpa.com</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Port of Port Angeles 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.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>