



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Washington Blueberry Commission

For the period January 1, 2013 through December 31, 2016

Published February 20, 2018

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Office of the Washington State Auditor
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February 20, 2018

Board of Commissioners
Washington Blueberry Commission
Etopia, 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 Commission 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 Commission'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 most areas we audited, Commission operations complied with applicable requirements and provided adequate safeguarding of public resources. The Commission also complied with state laws and regulations and its own policies and procedures in most areas we examined.

However, we noted certain matters that we communicated to Commission management in a letter dated February 13, 2018, related to awarding contracts and travel expenditures. We appreciate the Commission's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Washington Blueberry Commission from January 1, 2013 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 Commission'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:

- Review of contracts & agreements to ensure state laws are met
- Review of supporting documentation related to travel disbursements
- Required reports sent to Department of Agriculture

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Washington Blueberry Commission January 1, 2013 through December 31, 2016

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of the Washington Blueberry Commission. The State Auditor's Office has reviewed the status as presented by the Commission.

Audit Period: January 1, 2009 – December 31, 2012	Report Ref. No.: 1011393	Finding Ref. No.: 1
Finding Caption: The Commission did not establish contracts that document terms, conditions and appropriate fees for research and marketing and promotional services in accordance with state law.		
Background: State law requires the Commission to use Washington State University (WSU) for all research, unless the Board determines that WSU's facilities are inadequate. We found no evidence that the Board evaluated WSU's facilities before awarding contracts for research contractors for Fiscal Years 2009 through 2012. These research projects did not have formal, detailed contracts that establish terms, conditions, and appropriate fees. One contractor was awarded a total of \$88,421 for fiscal years 2009 through 2012 for its research projects. The Commission could not provide contracts for three additional research projects totaling \$23,097. In addition, the Commission used a vendor for marketing and promotional services, throughout the audit period, without establishing a contract for services, outlining what services will be provided to the Commission. The total amount paid to this vendor for fiscal years 2009 through 2012 was \$74,263.		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Subsequent to the previous SAO audit, the WBC prepares contracts for research, administrative and export market development activities. Copies of contracts for the current time interval were requested by the SAO and were provided by the WBC.</i>		

RELATED REPORTS

Financial

We perform an annual audit of the statewide basic financial statements, as required by state law (RCW 43.09.310). Our opinion on these financial statements is included in the Comprehensive Annual Financial Report (CAFR) prepared by and available from the Office of Financial Management.

The CAFR reflects the financial activities of all funds, organizations, institutions, agencies, departments and offices that are part of the state's reporting entity. That report is issued by the Office of Financial Management in December of each year and can be found at www.ofm.wa.gov.

A summary of the audit for the period ending December 31, 2016, can be found at: <http://www.sao.wa.gov/resources/Pages/AnnualReports.aspx>

Federal programs

In accordance with the Single Audit Act, we annually audit major federal programs administered by the state of Washington. Rather than perform a single audit of each agency, we audit the state as a whole. The results of that audit are published in a report issued by the Office of Financial Management in March of each year.

INFORMATION ABOUT THE COMMISSION

The Washington Blueberry Commission was established in 1969 by state law to coordinate marketing of the blueberry commodities produced in Washington. It is funded primarily by annual assessment fees on growers. The Commission is governed by a seven-member Board of Commissioners consisting of six producers and a representative of the Washington State Department of Agriculture.

The Blueberry Commission does not have any employees. It contracts with a vendor to manage the Commission's daily operations, administer the Commission's business activities and assume full responsibility for the management of the Commission's assets and resources. This includes monitoring the performance of contractors and vendors, media relations, community affairs, grower relations, reporting, industry relations, governmental and legislative relations, and evaluating the performance and effectiveness of all Commission-funded programs. Over the four-year audit period, annual revenue increased from \$306,772 in 2013 to \$479,109 in 2016.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Washington Blueberry Commission 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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