



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Town of Cathlamet

For the period January 1, 2016 through December 31, 2017

Published December 17, 2018

Report No. 1022759





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

December 17, 2018

Mayor and Town Council
Town of Cathlamet
Cathlamet, 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 Town 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 Town'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
Related Reports.....	5
Information about the Town	6
About the State Auditor's Office.....	7

AUDIT RESULTS

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

As referenced above, we noted certain matters that we communicated to Town management, the Mayor and Town Council in a letter dated December 5, 2018, related to segregation of duties and monitoring of Emergency Medical Services billings and collections. We appreciate the Town's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Town of Cathlamet from January 1, 2016 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 Town'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 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Citizen concerns – utilities, open public meetings, land purchase, investments
- Payroll – gross wage recalculations and benefits
- EMS billings and collections
- Utilities – billing accuracy and adjustments
- Cash receipting – Town hall and pool including timeliness and completeness of deposits, voids and adjustments
- Accounts payable transactions – general disbursements

RELATED REPORTS

Financial

Our opinion on the Town's financial statements is provided in a separate report, which includes the Town's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE TOWN

The Town of Cathlamet was incorporated in 1907 and operates under the direction of an elected, five-member Town Council, an elected Mayor and appointed Clerk/Treasurer. The Town provides public safety, emergency medical services, fire prevention, street improvements, parks and recreation and general administrative services. In addition, the Town owns and operates a water and sewer system. The Town had budgeted revenues of \$4,269,911 in 2016 and \$5,126,143 in 2017. The Town employed six full-time people, four public works employees and two administrative services employees during 2017.

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 Town of Cathlamet 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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