



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Whitman County

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

Published April 8, 2019

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

April 8, 2019

Board of Commissioners
Whitman County
Colfax, 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 County 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 County'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 most of the areas we examined, County 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 County management and Board of Commissioners in a letter dated April 1, 2019, related to credit card and fuel card purchases. We appreciate the County's commitment to resolving those matters.

Additionally, during the audit certain matters came to our attention that are currently under investigation.

About the audit

This report contains the results of our independent accountability audit of Whitman County from January 1, 2017 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 County'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 year ended December 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting and petty cash review in selected departments
- Credit card and fuel card purchases
- Procurement for purchases – competitive bids, sole source, vendor roster
- Parks Department – safeguarding of theft sensitive assets
- Compliance with bond covenants
- Internal service fund billings – Information Technology Fund
- Self-insurance – unemployment
- Limited review of software system for Superior Court Clerk's Office

WHITMAN COUNTY WASHINGTON
OFFICE OF THE AUDITOR
Sandra D. Jamison, Auditor



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Whitman County
January 1, 2017 through December 31, 2017

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

Audit Period: January 1, 2016 through December 31, 2016	Report Ref. No.: 1021228	Finding Ref. No.: 2016-001
<p>Finding Caption: The County did not have controls in place to ensure reimbursements to special purpose taxing districts for revolving fund expenditures were approved and supported.</p>		
<p>Background: Whitman County is responsible for the disbursement of over \$3.5 million of expenditure activity for 32 special purpose taxing districts including fire, cemetery, parks and recreation, water/sewer, hospital and library districts. Twenty-five of these districts pay their own expenditures from a revolving fund bank account and seek replenishment for the account from the County Auditor's Office.</p> <p>Our audit identified the following summarized internal control weaknesses:</p> <ul style="list-style-type: none"> • The County did not have Interlocal Agreements established with districts as required by state law. • The County did not require evidence that the District's governing body has properly approved a revolving fund, including the maximum authorized balance. • The County did not require supporting documentation, such as a listing of approved vouchers paid, for the replenishment of the revolving fund. • The County did not properly monitor district revolving fund reimbursements to ensure they were timely (replenished at least monthly), supported and processed in accordance with the BARS Manual guidance. 		
<p>Status of Corrective Action: (check one)</p> <p> <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 </p>		

Corrective Action Taken:

1. *Interlocal agreements between the County and Taxing Districts with imprest accounts have been addressed. Out of the taxing districts with imprest accounts, all but six have Interlocal agreements with the County. For the remaining six taxing districts, the County will not reimburse imprest accounts until those Interlocal agreements are in place.*
2. *Although we have many resolutions stating the imprest account limit, we are still attempting to collect that information. The Auditor's Office verifies the imprest account limit before submitting the reimbursement for payment.*
3. *The County has procedures in place requiring necessary forms, information, and signatures be provided by the taxing district before an imprest account can be reimbursed.*
4. *In our Interlocal Agreement we require the taxing district to contact the County if they have no imprest account activity for the month. The Auditor's office will complete a spreadsheet for tracking monthly reimbursements. The spreadsheet will be updated on the last Thursday of every month. Any taxing district that did not submit a reimbursement request or provide communication will be contacted to do so.*

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County'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 County's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

Whitman County serves approximately 48,000 residents. The County was established on November 29, 1871, in the area that now makes up Whitman, Franklin and Adams counties. The County was reduced to its current size of approximately 2,159 square miles in 1883 when Franklin and Adams counties were formed.

An elected, three-member Board of Commissioners governs the County. Nine additional elected officials help administer the County. The County provides public services including road construction and maintenance, infrastructure construction and maintenance, public health, judicial services, health and social services, law enforcement, solid waste disposal, recycling, parks and recreation facilities, county fair and noxious weed control with the assistance of approximately 235 employees. The County operated on an annual budget of approximately \$65.8 million for fiscal year 2017.

Contact information related to this report	
Address:	Whitman County 400 N. Main Street Colfax, WA 99111
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Information current as of report publish date.

Audit history

You can find current and past audit reports for Whitman County 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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov