



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Whitman County Park and Recreation District No. 5

(Rosalia Park District No. 5)

For the period January 1, 2017 through December 31, 2018

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

February 27, 2020

Board of Commissioners
Rosalia Park District No. 5
Rosalia, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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 District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District'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

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Rosalia Park District No. 5 from January 1, 2017 through December 31, 2018.

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 obtaining evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2018 and 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Payroll – gross wages
- Accounts payable – general disbursements and employee reimbursements
- General operations – financial condition, annual report filing, and records retention
- Cash receipting – timeliness and completeness of deposits at the pool
- Open public meetings – documentation of minutes and special meetings
- Self-insurance for unemployment compensation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Rosalia Park District No. 5 January 1, 2017 through December 31, 2018

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

Audit Period:	Report Ref. No.:	Finding Ref. No.:
January 1, 2014 through December 31, 2016	1021031	2016-001
Finding Caption: The District did not have adequate internal controls over financial reporting, cash receipting, payroll and disbursements, and record retention to ensure compliance with state laws and safeguarding of public resources.		
Background: <i>General Operation</i> The District did not develop and maintain: <ul style="list-style-type: none">• An organized record keeping system that demonstrates compliance with record retention laws• Practices to monitor financial sustainability• Methods for tracking accounting activity, including cash, revenues, and expenditures, to file the required annual report• A written agreement that outlines each participant's responsibilities for services shared between the District and the Town <i>Payroll and Disbursements</i> The District lacked proper monitoring and oversight of the disbursements process and did not ensure: <ul style="list-style-type: none">• Payroll amounts are accurate and paid to the employee who provided the services• Employee reimbursements and general disbursements are allowable, supported and authorized• Proper processing of credit card payments• All expenditures and disbursements are legal and allowable, and have a public benefit		

Cash Receipting

The District lacked proper monitoring and oversight of the cash receipting process and did not:

- Prepare proper records to support revenues collected
- Deposit receipts promptly
- Reconcile receipts collected to deposits

Open Public Meeting Minutes

The District:

- Could not provide meeting minutes for some meetings during our audit period
- Did not approve meeting minutes from the prior meeting at the next scheduled meeting
- Did not include a list of approved vouchers in the meeting minutes

Status of Corrective Action: (check one)

☐ Fully
Corrected

☒ Partially
Corrected

☐ Not Corrected

☐ Finding is considered no
longer valid

Corrective Action Taken:

Now have a software system in place, Payroll now has a time clock in place, credit card payments have supporting documentation, cash receipting now has been corrected, and there are copies of the minutes maintained. We are still working on the policies.

INFORMATION ABOUT THE DISTRICT

Whitman County Park and Recreation District No. 5 was established in 1983 and provides maintenance and operation services to parks and recreation facilities, including a swimming pool in the Rosalia community. The District operated on expenditures of \$86,000 and \$93,000 in 2018 and 2017, respectively.

Contact information related to this report	
Address:	Rosalia Park District No. 5 P.O. Box 142 Rosalia, WA 99170
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Information current as of report publish date.

Audit history

You can find current and past audit reports for Rosalia Park District No. 5 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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