



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

**No Activity Audit Report**

**Whitman County Cemetery District  
No. 7**

**For the period January 1, 2018 through December 31, 2019**

**Published June 4, 2020**

**Report No. 1026421**





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

June 4, 2020

Board of Commissioners  
Whitman County Cemetery District No. 7  
Endicott, Washington

**Report on No Activity Audit**

Independent audits are essential to a government's accountability to the public. The Office of the Washington State Auditor takes seriously our role to advocate for government accountability and transparency, and to promote positive change.

The attached report acknowledges Whitman County Cemetery District No. 7's certification that it had no financial activity during the audit period and describes the limited procedures performed and conclusions reached for the areas we reviewed.

We want to emphasize that if conditions change, a regular audit may be required in future years. If you anticipate having financial activity or acting to dissolve the government, we ask that you contact our Office so we can help you meet your audit requirements.

If you have any questions or concerns, please do not hesitate to contact Vivian Vandenburg, Assistant Audit Manager, at (509) 329-3703 or [Vivian.Vandenburg@sao.wa.gov](mailto:Vivian.Vandenburg@sao.wa.gov).

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

## NO ACTIVITY AUDIT SUMMARY

This no activity audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. State law also requires local governments to prepare, certify to, and submit annual reports to our Office summarizing, among other things, all collections made, amounts receivable or payable, expenditures made and debt owed. In its annual report submission to our Office, the Cemetery District certified that it had no financial activity from January 1, 2018 through December 31, 2019.

Because there was no reported activity, the procedures we performed were limited to verifying the annual reports submitted to our Office were complete and filed timely in compliance with state law, and corroborating the Cemetery District's certification of no activity by comparing its reported annual revenues, expenditures and cash and investment balances to third-party sources.

Based on the limited procedures performed, except as described below, nothing came to our attention that indicated the Cemetery District was not in substantial compliance with annual report filing requirements. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

As referenced above and described in the attached finding, the Cemetery District should ensure that annual reports are completed and submitted within 150 days after its fiscal year end in accordance with state law. This recommendation is included with our report as a finding.

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### Whitman County Cemetery District No. 7 January 1, 2018 through December 31, 2019

#### 2019-001 The District's internal controls over financial reporting were inadequate to ensure timely reporting.

##### *Background*

The Board of Commissioners, management, state and federal agencies, and the public rely on the information included in financial statements and reports to make decisions. The District is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance regarding the reliability of financial reporting.

State law (RCW 43.09.230) requires the District to submit an annual financial report to our Office no later than 150 days after the end of the District's fiscal year. The annual financial report includes summaries of financial information, supporting schedules, and responses to statutorily required compliance requirements.

The District received a disclaimer letter in the previous audit for not filing its 2015, 2016 and 2017 annual reports.

##### *Description of Condition*

The District did not take appropriate action to prepare or submit the required annual reports within 150 days after its fiscal year end for fiscal year 2018.

##### *Cause of Condition*

The District did not dedicate the necessary resources to ensure it submitted the 2018 annual report on time.

##### *Effect of Condition*

The District filed its 2018 annual report 293 days late and the 2019 annual report on time. Delays in the availability of complete financial reports prevent District officials, the public and other interested parties from obtaining timely information. Such delays also hinder transparency to citizens and the efforts of the State Auditor's Office to compile statistical and financial information for use by the state Legislature and others.

### ***Recommendation***

We recommend the District establish internal controls to ensure timely financial reporting in accordance with state law.

### ***Cemetery District's Response***

*Balance sheets have been corrected as per suggestions from the Auditors office. With the help of the state Auditor's office there is now a much clearer understanding of which documents are required to be filed and when.*

### ***Auditor's Remarks***

We appreciate the District's commitment to resolve this finding and thank the District for its cooperation and assistance during the audit. We will review the corrective action taken during the next regular audit.

### ***Applicable Laws and Regulations***

RCW 43.09.230 Local government accounting – Annual reports – Comparative statistics

The *Budgeting, Accounting and Reporting System (BARS)* manual, 3.1.3, Internal Control

## INFORMATION ABOUT THE CEMETERY DISTRICT

Whitman County Cemetery District No. 7 provides cemetery operation and maintenance services for the residents of Whitman County.

An elected, two-member Board of Commissioners governs the District. The District is currently inactive and received investment interest revenue of \$5,600 and \$4,100 in fiscal years 2018 and 2019, respectively.

<b>Contact information related to this report</b>	
Address:	Whitman County Cemetery District No. 7 7681 Jordan Knott Road Endicott, WA 99125
Contact:	Chuck Jordan, Commissioner
Telephone:	(509) 657-3504

*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for Whitman County Cemetery District No. 7 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>	(564) 999-0950
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>