



Office of the Washington State Auditor
Pat McCarthy

Assessment Audit Report

Alta Vista Irrigation District

For the period January 1, 2018 through December 31, 2021

Published November 28, 2022

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

November 28, 2022

Board of Directors
Alta Vista Irrigation District
Okanogan, Washington

Report on Assessment Audit

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.

The attached report describes the procedures performed and conclusions for the areas we reviewed. We appreciate the opportunity to work with your staff, and value your cooperation during the assessment audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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AUDIT SUMMARY

Results in brief

Based on the procedures performed, we identified areas where the District could make improvements. These recommendations are included with our report as a finding. In other areas we reviewed, nothing came to our attention that caused us to believe the District was not in substantial compliance with applicable state laws, regulations, and its own policies or had not provided adequate controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

About the assessment audit

This report contains the results of our independent audit of the Alta Vista Irrigation District from January 1, 2018 through December 31, 2021.

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. State law (RCW 43.09.230) also requires local governments to prepare and submit certified annual reports to our Office summarizing such things as revenues received, collections made, amounts receivable or payable, expenditures made, and debt owed.

This assessment 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 at least once every three years. Assessment audits are risk-based, limited-scope reviews of small local governments, generally defined as local governments with less than \$300,000 in annual revenues. To help minimize audit costs, our work for this engagement was conducted off-site primarily using financial and other information provided by the District.

This assessment audit was limited to the following:

- Reviewing meeting minutes for compliance with the Open Public Meetings Act
- Inquiring as to internal controls over assets, revenues, and disbursements
- Verifying that annual reports submitted to our Office were complete and filed timely in compliance with state law
- Reviewing the District's annual revenues and expenditures for unusual transactions or trends
- Corroborating financial information reported by the District by comparing its annual revenues, expenditures, and cash and investment balances to third-party sources
- Reviewing expenditures for indications of unusual activities, excessive Board of Directors compensation, conflicts of interest, or procurement requirements
- Evaluating the District's financial information for indications of financial distress

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Alta Vista Irrigation District January 1, 2018 through December 31, 2021

2021-001 The District lacked adequate internal controls over financial reporting to ensure compliance with timely annual report submissions.

Background

Federal and state agencies, the Board of Directors, 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 its financial reporting is reliable.

State law (RCW 43.09.230) requires the District to submit an annual financial report to the State Auditor's Office within 150 days after the end of its fiscal year. The annual financial report includes summaries of financial information and supporting schedules.

Description of Condition

The District did not submit the required annual reports to our Office within 150 days of fiscal year-end for 2019, 2020 or 2021.

Cause of Condition

District leadership did not fully understand the annual report filing requirements, and did not respond to our Office's outreach efforts, therefore limiting their access to support and training in these areas.

Effect of Condition

The District provided its 2019, 2020 and 2021 financial data for audit in September 2022; however, the District did not complete the annual filing for each of those years.

Due to not filing the annual reports, the District's financial information cannot be included in compiled Local Government Comparative Statistics (LGCS). Further, the Board's lack of responsiveness impeded our Office's ability to audit the District in a timely manner, as state law requires.

Delays in the availability of complete financial reports prevent District officials, the public, and other interested parties from obtaining timely information. Such delays and inaccuracies also hinder public transparency and our Office's efforts to compile statistical and financial information that the Legislature and others use.

Recommendation

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

District's Response

With the knowledge and understanding that has been obtained there are steps that we are implementing to make sure that the filings are done early and when all information is obtained for each year's filings. We intend to file 2022 as soon as all the information is available in a timely manner.

Auditor's Remarks

We appreciate the District's commitment to resolving the issues noted and cooperation during the audit. We will review the corrective action taken during the next audit.

Applicable Laws and Regulations

RCW 43.09.230, Local government accounting – Annual reports – Comparative statistics.

Budgeting, Accounting and Reporting System (BARS) Manual 4.1.6, Reporting Requirements and Filing Instructions for Special Purpose Districts.

INFORMATION ABOUT THE DISTRICT

The Alta Vista Irrigation District was established to deliver irrigation water within its boundaries in Okanogan County.

A three-member Board of Directors governs the District. The District operates on annual revenues of approximately \$30,000, primarily from special assessments.

Contact information related to this report

Address:	Alta Vista Irrigation District P.O. Box 644 Okanogan, WA 98840
Contact:	Lori Caswell, Secretary
Telephone:	(509) 826-3363

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Alta Vista Irrigation District at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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