



Office of the Washington State Auditor  
Pat McCarthy

# Accountability Audit Report

## Stevens County

For the period January 1, 2022 through December 31, 2022

*Published February 12, 2024*

Report No. 1034238



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

February 12, 2024

Board of Commissioners  
Stevens County  
Colville, 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 County 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 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 value your cooperation during the audit.

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).*

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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, County 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 Stevens County from January 1, 2022 through December 31, 2022.

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 Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the County's use 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 year ended December 31, 2022, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Use of restricted funds – veterans' relief fund and homelessness fund
- Accounts payable – credit cards, travel and electronic funds transfers
- Assessor's Office – statutory reporting and property billings
- Sheriff's Department – ambulance billing
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Stevens County January 1, 2022 through December 31, 2022

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

<b>Audit Period:</b> January 1, 2022 through December 31, 2022	<b>Report Ref. No.:</b> 1032404	<b>Finding Ref. No.:</b> 2021-001
<b>Finding Caption:</b> The County did not comply with the Open Public Meetings Act's requirements to promptly record meeting minutes and make them open to public inspection.		
<b>Background:</b> Under the Open Public Meetings Act (OPMA) (RCW 42.30.035), the County is required to promptly record minutes of regular and special meetings, and to make those minutes open to public inspection. The intent of this law is to ensure citizens have access to their governments' actions and deliberations.  The County's original meeting minutes were not readily available for public inspection. At the end of our financial statement and federal compliance audit of the County in September 2022, we reviewed its meeting minutes for subsequent events. We found the County's public website was missing minutes for 17 meetings held between October 2021 and September 2022. We requested these meeting minutes from the County, and staff were unable to provide any of them. Further, during our review of minutes for the planning of the County's accountability audit in October 2022, we found minutes were missing for an additional five meetings. The County was also unable to provide these minutes.		
<b>Status of Corrective Action: (check one)</b> <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
<b>Corrective Action Taken:</b> <i>In May of 2023, the Clerks attended the Washington State Commissioners' Clerks Conference where a conversation with guest speakers from MRSC occurred and they stated, "there is no</i>		

*definition of 'promptly' in the law". Following this discussion, further research was conducted and MRSC's "Practice Tips for Local Governments" guidance related to minutes was reviewed; it states "Agency local rules may set a timeframe for minutes to be approved by the governing body, such as approval at the next regular meeting, within one month of the meeting, or some other designated time. MRSC suggests coordinating this deadline with your clerk or secretary of the board to allow them sufficient time to prepare the minutes in consideration of the rest of their work."*

*After conferring with MRSC and following the guidance tips, the county's legal counsel also advised to implement an internal controls policy for the Commissioner Meeting Minute Approval. This policy was promptly adopted July 18, 2023, per legal counsel recommendation and MRSC guidance, within approximately 90 days of the SAO Exit Conference and has been followed since. A copy of this policy with the MRSC guidance is enclosed.*

## 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 programs, which are 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

Stevens County was incorporated in 1863 and currently serves approximately 46,222 citizens. An elected, three-member Board of Commissioners governs the County. Additional elected officials help administer County operations including the offices of: Assessor, Auditor, Clerk, Coroner, Prosecuting Attorney, Sheriff and Treasurer.

For fiscal year 2022, the County operated on an annual budget of approximately \$86 million, respectively. The County's 477 employees provide an array of services including general administration, judicial administration, public safety, street improvement, economic development, solid waste, health and counseling.

### 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 Stevens County 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](http://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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