



Office of the Washington State Auditor  
Pat McCarthy

## **Assessment Audit Report**

# **Asotin County Cemetery District No 1**

**(Vineland Cemetery)**

**For the period January 1, 2021 through December 31, 2022**

*Published May 6, 2024*

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

May 6, 2024

Board of Commissioners  
Vineland Cemetery  
Clarkston, 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

***Americans with Disabilities***

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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.

We noted certain matters related to open public meetings and procurement/public works that we communicated to the District's management and Board of Commissioners in a letter dated April 26, 2024. We appreciate the District's commitment to resolving those matters.

### About the assessment audit

This report contains the results of our independent audit of Vineland Cemetery from January 1, 2021 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. 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 reported revenues, expenditures, and cash and investment balances to third-party sources

- Reviewing expenditures for indications of unusual activities, excessive Board of Commissioners compensation, conflicts of interest, or procurement requirements
- Evaluating the District's financial information for indications of financial distress
- Cash receipting – timeliness and completeness of deposits of locally receipted cemetery sales and services
- Payroll – gross wages, overtime, and paid leave

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **Vineland Cemetery January 1, 2021 through December 31, 2022**

#### **2022-001 The District did not have adequate internal controls over cash receipting to safeguard public resources.**

##### ***Background***

Vineland Cemetery is governed by a three-member Board of Commissioners. The District's locally receipted cemetery sales and services generated revenue of about \$113,000 and \$89,000 in 2021 and 2022, respectively. The District is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance it properly receipts and deposits all the funds it collects. State law (RCW 43.09.240) requires the timely, intact deposit of local collections. The *Budgeting, Accounting and Reporting System* (BARS) Manual also requires cash receipting and document retention.

##### ***Description of Condition***

The District is responsible for receipting monies for plot sales, ground and columbarium burials and fees for grave opening and closings. Our audit found the District's internal controls over cash receipting do not adequately establish document retention for local receipts. Specifically, we noted that the District:

- Generated receipts with an inconsistent spreadsheet printout without pre-printed sequential numbering. Further, the District does not maintain a receipts journal or log for adequate tracking.
- Discarded invoices issued to funeral homes that receipt funds, which were later remitted to the District.
- Did not make deposits in the timeframe required by state law, with some delays exceeding one month
- Reported it relied on, but did not follow, a County receipting policy, which is not written for the District's operating environment
- Did not adequately segregate duties, relying on one person to receipt funds and make deposits without a subsequent independent review

### ***Cause of Condition***

The District did not establish internal controls over cash receipting and relied on one employee without adequate segregation of duties or independent reviews.

### ***Effect of Condition***

Without adequate internal controls and document retention, the District may not be able to prevent or detect loss or misappropriation of public funds in a timely manner, if at all. The District is not in compliance with state law and the BARS Manual.

Because the District did not establish adequate controls over cash receipting, we could not test to determine whether the District deposited all money it collected.

### ***Recommendation***

We recommend the District improve its internal controls over cash receipting to ensure it adequately safeguards public funds from loss or misappropriation. Specifically, the District should:

- Use sequential, pre-numbered receipts and establish a system for tracking and reconciling receipts to deposits
- Retain supportive documentation of billing and receipting activities
- Deposit funds within deadlines set by state law
- Ensure the adopted cash receipting policy incorporates all BARS Manual requirements and is adequately followed
- Adequately segregate duties for key cash receipting, and implement reconciliations, monitoring or other procedures to ensure all cash receipts are deposited, reconciled timely and protected from loss

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

*The District acknowledges the audit results, has reviewed issues with the Board, and has taken action to address these matters. We are working to get everything up to date, including a numbering system, cash reporting, deposits, compliance with RCWs, and retention of invoices. We appreciate all the information and are working on everything suggested.*

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

We thank the District for its cooperation throughout the audit and the steps it is taking to address these concerns. We will review the status of the District's corrective action during our next audit.

## *Applicable Laws and Regulations*

RCW 43.09.240: Local government accounting—Public officers and employees—Duty to account and report—Removal from office—Deposit of collections.

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

BARS Manual 3.1.4, Original Supporting Documentation

BARS Manual 3.6.1, Cash Receipting

## INFORMATION ABOUT THE DISTRICT

Asotin County Cemetery District No. 1, doing business as Vineland Cemetery, was formed in 2009. The District provides cemetery operation and maintenance services for the Vineland Cemetery, located in West Clarkston-Highland.

An elected, three-member Board of Commissioners governs the District. The District received annual revenue of approximately \$302,000 in 2021 and \$283,000 in 2022. The District's primary source of revenue is property tax collections, supplemented by cemetery sales and services.

### Contact information related to this report

Address:	Vineland Cemetery 1141 Vineland Drive Clarkston, WA 99403
Contact:	Judy Harris, Office Assistant
Telephone:	(509) 758-8761
Website:	<a href="https://vinelandcemetery.com/">https://vinelandcemetery.com/</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Vineland Cemetery 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.

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