



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

San Juan Islands Conservation District

For the period January 1, 2021 through December 31, 2023

Published February 18, 2025

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

February 18, 2025

Board of Supervisors
San Juan Islands Conservation District
Friday Harbor, 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 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.

However, we noted certain matters related to electronic payments that we communicated to District management and the Board of Supervisors in a letter dated February 10, 2025. We appreciate the District's commitment to resolving those matters.

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 the San Juan Islands Conservation District from January 1, 2021 through December 31, 2023.

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 District'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 years ended December 31, 2023, 2022 and 2021, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements and credit cards
- Payroll – electronic fund transfers
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

INFORMATION ABOUT THE DISTRICT

The San Juan Islands Conservation District, established in 1947, provides technical assistance and grants to landowners and groups for conservation-related projects to promote local agriculture, improved farm and forest management practices, habitat protection and restoration.

The district is also responsible for two major programs: Youth Conservation Corps (YCC) and Islands Conservation Corps (ICC) which further the District's commitment to conserving and enhancing natural resources in the San Juan Islands for farming, wildlife, public health, forestry, recreation and residential uses. The District is funded by state funds; a \$3-5 per parcel and \$0.09-\$.10 per acre (depending on land use) assessment authorized by the San Juan County Council; private, state and federal grants; donations; and invoicing for services.

The District is run by a five-member Board of Supervisors, three of which are elected through the district elections process. The remaining two are appointed by the Washington State Conservation Commission, which is responsible for funding and oversight of local conservation districts. The Supervisors direct the programs and policies of the San Juan Island Conservation District. Appointed and elected positions are for three-year terms and are served without compensation.

The District maintains the following staff: two fulltime permanent, seven part-time permanent and three to five seasonal employees. Operating expenses for fiscal year 2021, 2022 and 2023 were \$1,064,198, \$1,255,453 and \$1,467,499 respectively.

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 the San Juan Islands Conservation District at <https://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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