

Washington State Auditor's Office
Accountability Audit Report

Naches-Selah Irrigation District
Yakima County

Report Date
October 17, 2005

Report No. 69980

Issue Date
January 13, 2006



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
Brian Sonntag**

January 13, 2006

Board of Directors
Naches-Selah Irrigation District
Selah, Washington

Report on Accountability for Public Resources

Please find attached our report on the Naches-Selah Irrigation District's accountability for public resources and compliance with state laws and regulations and its own policies and procedures.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Yakima County
October 17, 2005**

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Audit Summary

Naches-Selah Irrigation District Yakima County October 17, 2005

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Naches-Selah Irrigation District.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2002, through December 31, 2004.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

CLOSING REMARKS

We thank District officials and personnel for their assistance and cooperation during the audit.

Description of the District

Naches-Selah Irrigation District Yakima County October 17, 2005

ABOUT THE DISTRICT

The Naches-Selah Irrigation District provides irrigation services to approximately 1,600 parcels of land covering more than 10,500 acres in Yakima County. A three-member Board of Directors is elected to three-year terms by the District landowners. The Board appoints the Superintendent, who is responsible for managing the day-to-day operations. The District has eight full-time employees and 10-15 part-time workers. The District operates with an annual revenue base of approximately \$1 million.

AUDIT HISTORY

Typically, we audit the District every three years. The District has had no audit findings during the previous three audits, which covered the years 1994-2001.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:
President

Rod Matson
Craig Sundquist
Brian Thompson

APPOINTED OFFICIALS

Superintendent
District Manager
Auditing Officer/Secretary

Roy Howard (retired December 2004)
Justin Harter (hired December 2004)
Terri Barnett

ADDRESS

District

620 Guinan Loop Road
Selah, WA 98942
(509) 697-4177
(509) 697-5255 (fax)

Audit Areas Examined

Naches-Selah Irrigation District Yakima County October 17, 2005

In keeping with general auditing practices, we do not examine every portion of the Naches-Selah Irrigation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the District's accountability in the following areas:

- Billings and accounts receivable
- Cash receipting and revenues
- Payroll
- Cash disbursements
- Purchase of goods and services

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Timely deposit of public funds
- Insurance and bonding
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Competitive bid law compliance
- Compliance with debt covenants
- Legal and supported payments
- Allowable expenditures