

Washington State Auditor's Office
Accountability Audit Report

Town of Malden
Whitman County

Report Date
May 14, 2007

Report No. 73856

Issue Date
January 14, 2008



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

January 14, 2008

Mayor and Town Council
Town of Malden
Malden, Washington

Report on Accountability

Please find attached our report on the Town of Malden's accountability and compliance with state laws and regulations and its own policies and procedures.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Whitman County
May 14, 2007**

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Audit Summary

**Town of Malden
Whitman County
May 14, 2007**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Town of Malden.

We performed audit procedures to determine whether the Town complied with state laws and regulations and its own policies and procedures. We also examined Town 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, 2004, through December 31, 2005.

RESULTS

In most areas, the Town complied with state laws and regulations and its own policies and procedures. The Town generally had sufficient internal controls in place to safeguard public resources. However, we noted certain issues that we communicated to Town management. We appreciate the Town's commitment to resolving the issues.

We also found the Town made progress in resolving the weaknesses identified in prior audits. One finding was resolved and the second one was partially resolved.

CLOSING REMARKS

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

Description of the Town

Town of Malden Whitman County May 14, 2007

ABOUT THE TOWN

The Town of Malden serves approximately 215 citizens in Whitman County. The Town operates under a mayor-council form of government with a five-member Council and an independently elected Mayor.

The Town operated on an annual budget of \$110,030 during 2004 and \$107,100 during 2005. The Town employs one person and provides an array of services including public safety, general administrative, parks and recreation, street improvement and water services.

AUDIT HISTORY

We audit the Town every two years. The prior audit of the Town reported two findings. The Town did not comply with budget requirements or properly monitor financial activity. The Town also authorized and paid extra compensation to employees. The Town has taken steps to make improvements and correct conditions noted in these findings.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor:	Andrea Harp
Town Council:	Pam Montague
	Kelly Brown
	Harley Harp
	Ed Wendt
	Cara Shearer

Note: Pam Montague was replaced by Joyce Darou in January 2006. Joyce Darou was replaced by Pam Montague in June 2006. Ed Wendt was replaced by Paul Goyke in May 2004. Paul Goyke was subsequently replaced by Jay Rupp in April 2006. Cara Shearer was replaced by James Wendt in June 2005. James Wendt was replaced by Linda Hanks in February 2007.

APPOINTED OFFICIALS

Clerk/Treasurer	Kristi Boyce
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Note: Kristi Boyce replaced Jenna McDonald in February 2004. Misty Hutchison replaced Kristi Boyce in December 2006.

ADDRESS

Town

204 West Morland Ave.
P.O. Box 248
Malden, WA 99149
(509) 569-3771
(509) 569-3207 (fax)

Audit Areas Examined

Town of Malden Whitman County May 14, 2007

In keeping with general auditing practices, we do not examine every portion of the Town of Malden'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 Town were examined during this audit period:

ACCOUNTABILITY

We evaluated the Town's accountability and compliance with laws, regulations, contracts and grant agreements in the following areas:

- Cash receipting and revenues –
utilities, Fire Department
- Safeguarding of assets
- Use of restricted funds
- Budgeting requirements
- Ethics/conflict of interest laws
- Purchases and payments
- Payroll
- Open Public Meetings Act
- Open public records
- Timely financial reporting



ABOUT THE STATE AUDITOR'S OFFICE

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

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive program to coordinate audit efficiency and to ensure high-quality audits.

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