



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Klickitat County

For the period January 1, 2017 through December 31, 2017

Published October 1, 2018

Report No. 1022215





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

October 1, 2018

Board of Commissioners
Klickitat County
Goldendale, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office 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.

The attached comprises 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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

TABLE OF CONTENTS

Audit Results.....	4
Summary Schedule of Prior Audit Findings	5
Related Reports.....	6
Information about the County.....	7
About the State Auditor's Office.....	8

AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, except as described below, County operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we noted certain matters that we communicated to County management and Board of Commissioners in a letter dated September 25, 2018, related to cash receipting controls and practices. We appreciate the County's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of Klickitat County from January 1, 2017 through December 31, 2017.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the County's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended December 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting – county-wide
- Superior Court – selected IT security policies, procedures, practices, and controls protecting financial systems
- Disbursements – general accounts payable transactions, use of state grants and restricted funds
- County fairgrounds – fair premiums and revolving fund payments
- Public Works Department – safeguarding of fuel, tools and equipment
- Procurement – purchases, use of purchasing cooperatives
- Payroll – recalculation of gross wages, including overtime, verification of leave balances
- Human resources – verification of employees, cessation of benefits

Klickitat County Auditor

FROM THE OFFICE OF: Brenda Sorensen

Licensing • Records & Recording • Elections • Voter Maintenance • Accounting • Payroll

205 S Columbus Ave; Room 203, Goldendale, WA 98620; Ph 509-773-4001 Fax 509-773-4244

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Klickitat County January 1, 2017 through December 31, 2017

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

Audit Period: January 1, 2016 through December 31, 2016	Report Ref. No.: 1020004	Finding Ref. No.: 2016-001
Finding Caption: Klickitat County's internal controls over cash receipting are inadequate to safeguard public resources.		
Background: County management is responsible for designing and following a system of internal control that provides reasonable assurance of compliance with state laws and County policies and the safeguarding of public resources. During the audit, we identified cash receipting control weaknesses in 11 of 13 County departments.		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>For each of the 11 County departments identified in the audit, cash receipting internal controls were evaluated and documented through meetings between the County Auditor's and Treasurer's offices and department stakeholders. Recommendations for strengthening internal controls were provided to address overall controls and the specific weaknesses identified by the State Auditor's Office. BARS manual guidance and sample control procedure documents were also provided along with offers of assistance to each department in development and implementation of controls. Many departments were successful in implementing changes that strengthened key controls to either avoid cash receipting issues altogether or, at a minimum, allow for timely detection. Continual improvement and ongoing monitoring of internal controls will be a key component of safeguarding public resources with regard to cash receipting.</i>		

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 program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report.

INFORMATION ABOUT THE COUNTY

Klickitat County serves approximately 21,000 citizens in South Central Washington.

The County is administered by an elected, three-member Board of Commissioners. Additional elected officials help administer the County including the positions of: Assessor, Auditor, Clerk, two District Court Judges, Superior Court Judge, Prosecuting Attorney, Sheriff, and Treasurer. During fiscal year 2017, the County operated on an annual budget of approximately \$47.8 million. Its 243 FTE provide an array of services including judicial and public safety, operation and maintenance of the county jail, building inspection, planning and zoning, and property valuation. In addition, the County provides tax collection and distribution, vehicle licensing, road maintenance, employment and social services, and general administrative services.

Contact information related to this report	
Address:	Klickitat County 205 S. Columbus MS - CH2 Goldendale, WA 98620
Contact:	Brenda Sorensen, Auditor
Telephone:	(509) 773-2315
Website:	www.klickitatcounty.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for Klickitat County at <http://portal.sao.wa.gov/ReportSearch>.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

Our 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. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov