



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Klickitat County

For the period January 1, 2019 through December 31, 2019

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

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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 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 County 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 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

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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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, County 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 cash receipting at the Klickitat County Firearms Training Facility that we communicated to County management and Board of Commissioners in a letter dated September 22, 2020. We appreciate the County'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 Klickitat County from January 1, 2019 through December 31, 2019.

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 obtaining evidence about the County'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 year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Cash receipting – timeliness and completeness of deposits, voids and adjustments at Adult Probations, Auditor's Office, Building Inspection, East and West District Court, Firearms Training Facility, Planning Department, Public Health, and Superior Court
- Procurement – public works and professional services
- Sheriff Department – evidence room and seizure and forfeiture reporting

- Surplus property – disposition and receipt of sales proceeds
- Accounts payable – general disbursements and electronic funds transfers
- Payroll – gross wages, leave balances and electronic funds transfers
- Accounts receivable – billing and collections of leases
- Compliance with public works projects – prevailing wages and retainage requirements
- IT security policies, procedures, practices and controls protecting financial systems backup and recovery

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. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

Klickitat County serves approximately 22,500 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 2019, the County operated on an annual budget of approximately \$54.8 million. Its 264 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, County Auditor
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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	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov





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

September 22, 2020

Board of Commissioners
Klickitat County
Goldendale, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our accountability audit of the Klickitat County from January 1, 2019 through December 31, 2019. We believe our recommendations will assist you in improving the County's internal controls and compliance in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to County officials and personnel. If you have any further questions, please contact me at (360) 260-6409.

This letter is intended for the information and use of management and the governing body and is not suitable for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for the cooperation and assistance given during the course of the audit.

Sincerely,

Lindsay Osborne, Audit Manager

Attachment

Management Letter
Klickitat County
January 1, 2019 through December 31, 2019

Cash receipting at the gun range

The County began cash receipting activities at the gun range in July 2019. In total, the gun range receipted about \$7,000 during the audit period. We evaluated internal controls over cash receipting and tested the completeness and timeliness of receipts during our audit. Based on the procedures performed, we identified the following:

- Receipting records did not indicate the composition or payment method (such as cash or check). Therefore, we could not confirm the deposit composition, which is required by the *Budgeting, Accounting, and Reporting System (BARS)* manual.
- Because the County receipts via a drop box and sign-in sheet, we found the County was not performing a reconciliation of expected revenue to actual revenue. Additionally, the County asserted a reconciliation of daily receipts to the deposit was being performed. However, this was not documented. These reconciliations should be performed regularly, documented, and independently reviewed to help the County ensure it collected and deposited all revenue owed.
- Funds were transferred between County personnel without adequate documentation showing the transfer of custody.
- We identified one instance where funds were not deposited with the County Treasurer within 24 hours, as required by RCW 43.09.240.

Without adequate internal controls, the County's ability to detect errors or irregularities and assign responsibility for a loss should one occur is limited. To ensure the County safeguards public resources and that it receives all money it is owed, we recommend the County improve internal controls over cash receipting activities. Specifically, we recommend the County:

- Perform and document independent reconciliations of cash receipts to deposits in a timely manner
- Ensure receipting records indicate the cash/check composition to validate the composition of daily deposits
- Implement a process to reconcile expected revenues to actual revenues to ensure the completeness of deposits
- Deposit funds daily in accordance with RCW 43.09.240
- Adequately document the transfer of custody when funds are transferred between County personnel to ensure accountability can be assigned to a single individual