

Washington State Auditor's Office
Accountability Audit Report

Benton County

Report Date
November 15, 2006

Report No. 71872

Issue Date
December 15, 2006



Washington _____
State Auditor

Brian Sonntag



**Washington State Auditor
Brian Sonntag**

December 15, 2006

Board of Commissioners
Benton County
Prosser, Washington

Report on Accountability for Public Resources

Please find attached our report on Benton County's accountability for public resources and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the County's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Audit Summary

Benton County
November 15, 2006

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Benton County.

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

RESULTS

The County 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. However, we noted certain issues that we communicated to County management. We appreciate the County's commitment to resolving the issues.

RELATED REPORTS

Our opinion on the County's financial statements and compliance with federal program requirements is provided in a separate report, which includes the County's financial statements.

CLOSING REMARKS

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

Description of the County

Benton County November 15, 2006

ABOUT THE COUNTY

Benton County was incorporated in 1905 and currently serves approximately 158,345 citizens. A commissioner form of government administers the County, with three elected Commissioners. In addition, there are seven independently elected positions including Assessor, Auditor, Clerk, Treasurer, Prosecuting Attorney, Sheriff and Coroner. The County has an annual budget of approximately \$125 million and has approximately 700 employees who provide an array of services including road maintenance and improvement, public safety, judicial administration, health and social services and general administrative services.

AUDIT HISTORY

We audit the County annually. The past seven audits of the County have contained five findings. During that period, the number of findings has ranged from three in 2000 to one in 1998, 2003 and 2004. No findings were reported in the 1999, 2001, 2002 or 2005 audits. County officials have taken steps to make improvements and to correct conditions noted in prior findings. We believe this reflects the County's desire and commitment to maintain a strong financial system. We appreciate the County's prompt attention to resolve audit issues and its commitment to establish public accountability.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Chair

Max Benitz, Jr.

Leo Bowman

Claude Oliver

Assessor

Barbara Wagner

Auditor

Bobbie Gagner

Clerk

Josie Delvin

Prosecuting Attorney

Andrew Miller

Treasurer

Duane Davidson

Sheriff

Larry Taylor

Coroner

Floyd Johnson

District Court Judges:

Eugene F. Pratt

Robert J. Ingvalson

Holly A. Hollenbeck

Superior Court Judges:

Craig J. Matheson

Cameron Mitchell

Carrie L. Runge

Robert G. Swisher

Vic L. Vanderschoor

Dennis D. Yule

APPOINTED OFFICIALS

County Administrator
County Engineer
Human Services Director
Planning and Building Director
Central Services Manager
Facilities and Parks and Sustainable
Development Manager

David Sparks
Ross Dunfee
Dave Hopper
Terry Marden
Randy Reid

Gary Ballew

ADDRESS

County

620 Market
P.O. Box 190
Prosser, WA 99350
(509) 786-5600

Audit Areas Examined

Benton County November 15, 2006

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

ACCOUNTABILITY FOR PUBLIC RESOURCES

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

- Cash receipting and revenues
- Petty cash, change and revolving accounts
- Fixed assets
- Payroll
- Human Services Department
- District Court
- Cash disbursements
- Expenditures, vouchers and credit cards
- Financial statement preparation and journal entries
- Superior Court

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

- Deposit and investment of public funds
- Timely deposit of public funds
- Use of restricted funds
- Required financial schedules
- Insurance and bonding
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Public records retention
- Public records request
- Long-term debt covenant compliance
- Citation accountability
- Inter-fund transactions
- One fund benefiting at the expense of another
- Allowable expenditures
- Credit card use
- Travel expenses
- Advance travel payments and reimbursements
- Competitive bid law compliance
- Sheriff's Department - contracts and agreements

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the County's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

FINANCIAL AREAS

Our opinion on the County's financial statements is provided in a separate report. That report includes the County's financial statements and other required financial information. We examined the financial activity and balances of the County including:

- Cash and investments
- Revenues
- Expenditures
- Capital assets
- Infrastructure
- Journal entries
- Long-term debt
- Subsequent events
- Going concern
- Related party transactions
- Overall presentation of the financial statements

Status of Prior Audit Findings

Benton County November 15, 2006

The status of findings contained in the prior years' audit reports of the County is provided below:

1. **Benton County did not ensure that proper internal controls and monitoring were in place over cash receipting and adjustments for building permits.**

Report No. 69917, dated November 28, 2005

Background

During work performed on the follow-up to a 2004 audit issue, we noted seven staff members had access to one cash box. Job duties were not segregated as the office manager makes the deposits and reconciles deposits to receipts; funds were not deposited daily or, at times, not even once a week. Additionally, there is no method to track, monitor or distinguish adjustments from other receipts.

Status

The conditions reported during our 2004 audit appear to be resolved.