

Washington State Auditor's Office
Accountability Audit Report

Benton County

Report Date
December 15, 2008

Report No. 1000372

Issue Date
January 5, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

January 5, 2009

Board of Commissioners
Benton County
Prosser, Washington

Report on Accountability

Please find attached our report on Benton County's accountability 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
December 15, 2008

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, 2007, through December 31, 2007.

RESULTS

The County complied with state laws and regulations and its own policies and procedures in most areas we examined. Internal controls were adequate to safeguard public assets. However, we noted certain issues that we communicated to County's 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 December 15, 2008

ABOUT THE COUNTY

Benton County was incorporated in 1905 and currently serves approximately 162,900 citizens. An elected, three-member Board of Commissioners governs the County. There are additional elected positions including Assessor, Auditor, Clerk, Treasurer, Prosecuting Attorney, Sheriff, Coroner, three District Court Judges and six Superior Court Judges. The County has an annual budget of approximately \$148 million. An estimated 700 employees 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 nine audits of the County have contained eight findings. The number of findings has ranged from three in 2000 to one each in 1998, 2003 and 2004 and two in 2006. No findings were reported in the 1999, 2001, 2002, 2005 or 2007 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

Leo Bowman

Max Benitz, Jr.

Claude Oliver

Assessor

Barbara Wagner

Auditor

Bobbie Gagner

Clerk

Josie Delvin

Prosecuting Attorney

Andrew Miller

Treasurer

Duane Davidson

Sheriff

Larry Taylor

Coroner

Rick Corson

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 Manager
Deputy County Administrator
Geographic Information Systems Manager
Personnel/Risk Management Manager

David Sparks
Ross Dunfee
Carrie Huie-Pascua
Terry Marden
Randy Reid
Roy Rogers
Loretta Smity-Kelty
Mary Phillips
Melina Wenner

ADDRESS

County

620 Market
P.O. Box 190
Prosser, WA 99350
(509) 786-5600
www.co.benton.wa.us

Audit Areas Examined

Benton County December 15, 2008

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

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

- Open Public Meetings Act
- Procurement, public works and purchases
- Property tax calculations
- Bond covenants
- Sheriff's Department
- Jail
- Credit card expenditures and policy
- Transfers out
- Equipment rental and revolving fund
- Restricted revenues
- Contracts and agreements
- Assessor's Office
- Surplus property sales
- Conflict of interest
- Payroll
- Expenditures/disbursements
- Revenue trend decline reviews
- Safeguarding of County assets
- Cash counts

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the County's major federal program, which is 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/expenses
- Capital assets and infrastructure
- Transfers in and out
- Journal entries
- Overall presentation of the financial statements

Status of Prior Audit Findings

Benton County December 15, 2008

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

1. Benton County did not comply with bid laws or prevailing wage laws.

Report No. 73518, dated November 5, 2007

Background

During our review of the County's compliance with bid and prevailing wage laws, we noted:

- The County did not have performance bonds as required by state law, for four public works projects, totaling \$147,983.
- For two public works contracts, totaling \$86,815, the County did not have documentation that the contractors complied with prevailing wage requirements.
- No signed contract for a \$7,989 public works contract.
- One public works contract, totaling \$820,514, where the County excluded a scope of the project that should have been included in the awarding bid.
- The County did not maintain supporting documentation to show which contractors and businesses applied to be placed on its small works roster.

Status

This finding has since been resolved.



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.

State Auditor
Chief of Staff
Chief Policy Advisor
Director of Administration
Director of State and Local Audits
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Local Government Liaison
Communications Director
Public Records Officer
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