

Washington State Auditor's Office
Accountability Audit Report

Lewis County

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October 9, 2013

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WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

October 28, 2013

Board of Commissioners
Lewis County
Chehalis, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your County to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Lewis County's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

TROY KELLEY
STATE AUDITOR

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October 9, 2013**

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Audit Summary

Lewis County
October 9, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Lewis County from January 1, 2012 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the County. We also determined whether the County complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Open Public Meetings Act
- Revenue and expenditure analytical procedures
- Cash receipting
- Treasurer's Office
- On-call contracting
- Third-party cash receipting
- Credit cards
- Purchase cards
- Fuel cards
- Payroll
- Financial condition

RESULTS

In most areas, the County complied with state laws and regulations and its own policies and procedures.

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

Related Reports

**Lewis County
October 9, 2013**

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.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the 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. That report includes two federal findings regarding the following:

- The County did not have adequate internal controls over its Child Support Enforcement grant to ensure compliance with federal allowable cost requirements.
- The County's internal controls over the Title III portion of its Schools and Roads grant were inadequate to ensure purchases were for allowable purposes.

Description of the County

Lewis County
October 9, 2013

ABOUT THE COUNTY

Lewis County is home to more than 75,900 residents. Historically a logging and agricultural county, Lewis County's economy is in transition. The County is moving towards a more diversified economy including construction, manufacturing, retail, healthcare, transportation and warehousing, utilities and public employment sectors.

An elected, three-member Board of Commissioners administers the County, which operates on a \$109.3 million annual budget. Its 588 full- and part-time employees provide sheriff and court services, construction and maintenance of roads and bridges, health and social services, cultural and recreational facilities and services, planning and zoning services and general administrative services.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Bill Schulte

Lee Grose

Ron Averill

Assessor

Dianne Dorey

Auditor

Gary Zandell

Clerk

Kathy Brack

Coroner

Warren McLeod

Prosecuting Attorney

Jonathan Meyer

Sheriff

Steve Mansfield

Treasurer

Rose Bowman

District Court Judges:

Michael Roewe

R.W. Buzzard

Superior Court Judges:

Nelson Hunt

James Lawler

Richard Brosey

COUNTY CONTACT INFORMATION

Address: Lewis County
351 N.W. North Street
Chehalis, WA 98532

Phone: (360) 740-1159

Website: lewiscountywa.gov

AUDIT HISTORY

We audit the County annually. The 2008 audit contained a federal finding regarding internal controls over Davis Bacon Act (prevailing wage) requirements. The 2009 audit was free of findings and previous findings had been resolved. The 2010 audit reported a finding for inadequate internal controls over preparation of the Schedule of Expenditures of Federal Awards. That finding has been resolved. The 2011 audit and current audit are free of accountability audit findings.



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 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 employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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Deputy Director of Communications
Local Government Liaison
Public Records Officer
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