



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Lewis County

For the period January 1, 2016 through December 31, 2016

Published September 29, 2017

Report No. 1019924





Office of the Washington State Auditor
Pat McCarthy

September 29, 2017

Board of Commissioners
Lewis County
Chehalis, 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 report on the County's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for 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 Summary.....	4
Related Reports.....	5
Information About The County	6
About The State Auditor’s Office.....	7

AUDIT SUMMARY

Results in brief

In the areas we audited, County operations complied with applicable requirements and provided adequate safeguarding of public resources. The County also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of Lewis County from January 1, 2016 through December 31, 2016.

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.

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, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open public meetings
- Financial condition
- Restricted funds – Distressed Counties, Roads, Tourism, Internal Service and Veterans Relief
- Interfund loans
- Procurement – public works
- Procurement – purchases
- Departmental cash receipting controls – Senior Center, Animal Shelter, Public Works
- Third party cash receipting

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>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding the calculation for determining major funds to be presented in its 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 Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding regarding inadequate internal controls to ensure compliance with federal reporting and Davis Bacon Act (prevailing wage) requirements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

Lewis County is located in the southwestern region of Washington. Stretching nearly 100 miles from west to east and just over 30 miles from south to north, it is home to more than 76,600 residents. The County's top industries include manufacturing, health care and social assistance, retail and agriculture. The population has increased over the past decade due to job growth, recreational and cultural opportunities, and higher education. Lewis County's unemployment rate is steadily declining with a rate of 8.0 percent in 2016, down from 8.6 percent in 2015.

Lewis County is situated centrally between Seattle, Washington and Portland, Oregon along the I-5 corridor. The County's location and four diverse regions brings thousands of visitors through the area each year. Nearly half of Lewis County's population lives in the Centralia and Chehalis region. Historic downtown areas, endless shopping options, and community events draw people to these Twin Cities. Eastern Lewis County is known for its rich forests, mountain views, and outdoor activities. To the south, quiet rivers and lakes offer great swimming and fishing opportunities. Farmland is the key feature of the western portion of the County, where much of the area's produce is grown and harvested.

An elected, three-member Board of Commissioners is the County's legislative authority. The Commissioners serve as the chief administrators for the County, which operates on a \$106 million annual budget. The County's 610 full- and part-time employees provide public transportation, road construction and maintenance, water quality, flood control, parks and recreation facilities and agriculture services. The County also provides court services, law enforcement, criminal detention, and coroner services. It assesses and collects taxes, provides fire inspections, planning, zoning, animal control, public health and social services, election administration, treasury services and waste disposal services.

Contact information related to this report	
Address:	Lewis County 351 N.W. North Street Chehalis, WA 98532
Contact:	Suzette Smith, Chief Accountant
Telephone:	(360) 740-1339
Website:	www.lewiscountywa.gov

Information current as of report publish date.

Audit history

You can find current and past audit reports for Lewis 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