

Washington State Auditor's Office
Accountability Audit Report

**Public Utility District No. 1 of Asotin
County**

Report Date
May 18, 2009

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WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

June 8, 2009

Board of Commissioners
Public Utility District No. 1 of Asotin County
Clarkston, Washington

Report on Accountability

Please find attached our report on Public Utility District No. 1 of Asotin 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 District's financial statements. 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

Public Utility District No. 1 of Asotin County May 18, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Asotin County.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District 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, 2008, through December 31, 2008.

RESULTS

The District 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.

RELATED REPORTS

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements.

CLOSING REMARKS

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

Description of the District

Public Utility District No. 1 of Asotin County May 18, 2009

ABOUT THE DISTRICT

Public Utility District No. 1 of Asotin County was formed in 1984 and took over water system operations from a private company in April 1987. The District is the exclusive distributor of residential and commercial water services to approximately 6,850 customers in Asotin County.

An elected, three-member Board of Commissioners governs the District. The Board appoints a General Manager to oversee the District's daily operations as well as its 15 employees. For fiscal year 2008, the District had an annual operating budget of approximately \$3.5 million.

AUDIT HISTORY

We audit the District annually. The District has had no findings since acquiring and beginning its operational activities in April 1987. This reflects the District's commitment to strong internal controls and compliance with state laws and regulations.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Judy Ridge
Don Nuxoll
Gary Hicks

APPOINTED OFFICIALS

General Manager
Treasurer
Attorney

Tim Simpson
Bob Sischo
Scott Broyles

ADDRESS

District

1500 Scenic Way
P.O. Box 605
Clarkston, WA 99404
(509) 758-1010
www.asotinpud.org

Audit Areas Examined

Public Utility District No. 1 of Asotin County Asotin County May 18, 2009

In keeping with general auditing practices, we do not examine every portion of Public Utility District No. 1 of Asotin 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 District were examined during this audit period:

ACCOUNTABILITY

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

- Billings/receivables
- Disbursements/expenditures
- Payroll/personnel
- Open public meetings/records laws
- Conflict of interest/ethics laws
- Compliance with grant requirements
- Contracts/agreements
- Procurement (bidding/prevaling wage)

FINANCIAL AREAS

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

- Cash and investments
- Capital assets
- Revenue
- Expenditures/expenses
- Financial condition
- Financial statement preparation
- Overall presentation of the financial statements



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 employees are located around the state to deliver our 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 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 quality assurance program.

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