

Washington State Auditor's Office
Accountability Audit Report

Jefferson County

Report Date
September 25, 2008

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November 10, 2008



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

November 10, 2008

Board of Commissioners
Jefferson County
Port Townsend, Washington

Report on Accountability for Public Resources

Please find attached our report on Jefferson 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

Jefferson County
September 25, 2008

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Jefferson 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, 2006, through December 31, 2007.

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.

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

Jefferson County September 25, 2008

ABOUT THE COUNTY

Jefferson County serves 28,800 citizens and is located in western Washington on the Olympic Peninsula. It is administered by three independently elected Commissioners and eight independently elected officials including: Assessor, Auditor, District Court Judge, Superior Court Judge, Prosecutor, Sheriff, Clerk and Treasurer. The County operates on a \$43.8 million annual budget. The County employs approximately 300 employees that provide an array of services including District and Superior Court, public safety, parks and recreation, solid waste disposal, planning, road maintenance and construction, public works engineering and general administrative services.

AUDIT HISTORY

We audit the County annually and include an accountability audit every two years. There have been no findings since the 2002-03 accountability audit, and management has been very responsive to prior audit recommendations. Audit concerns are often discussed, addressed and resolved before completion of our audit. We believe this reflects the County's commitment to maintaining a strong financial system with adequate internal controls.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Assessor
Auditor
Clerk
District Court Judge
Superior Court Judge
Sheriff
Treasurer
Prosecuting Attorney

Phil Johnson
David Sullivan
John Austin
Jack Westerman III
Donna M. Eldridge
Ruth Gordon
Jill Landis
Craddock Verser
Mike Brasfield
Judith E. Morris
Juelanne Dalzell

APPOINTED OFFICIALS

County Administrator

John Fischbach

ADDRESS

County

P.O. Box 1220
Port Townsend, WA 98368
(360) 385-9100

Audit Areas Examined

Jefferson County September 25, 2008

In keeping with general auditing practices, we do not examine every portion of Jefferson 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:

- Accounting/financial reporting
- Cash receipting
- Insurance/risk management
- Investments
- Open public meetings/records laws
- Petty cash/imprest funds
- Limit of indebtedness
- Disbursements/expenditures
- Payroll/personnel
- Procurement
- Conflict of interest/ethics laws
- Capital assets
- Small and attractive assets
- Budget compliance
- Voter registration expenses

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
- Long-term debt
- 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 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
Main number
Toll-free hotline for government efficiency

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