



Office of the Washington State Auditor  
Pat McCarthy

## Accountability Audit Report

# Dallesport Water District

For the period January 1, 2019 through December 31, 2020

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**Office of the Washington State Auditor  
Pat McCarthy**

January 31, 2022

Board of Commissioners  
Dallesport Water District  
Dallesport, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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 District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

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## AUDIT RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

Because public distribution of tests performed and the related results over information technology could increase the risk to the District's IT security, distribution of that information has been limited to management and the governing body of the District and is kept confidential under RCW 42.50.420.

### About the audit

This report contains the results of our independent accountability audit of the Dallesport Water District from January 1, 2019 through December 31, 2020.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2020 and 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts receivable – water utility billing and adjustments
- Cash receipting – timeliness and completeness of deposits
- Accounts payable – general disbursement, credit cards, travel expenditures, and employee reimbursements
- Payroll – gross wages



## Dallesport Water District

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Dallesport Water District January 1, 2019 through December 31, 2020

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> 2016 - 2018	<b>Report Ref. No.:</b> 1025468	<b>Finding Ref. No.:</b> 2018-001
<b>Finding Caption:</b> The District did not have adequate controls over the retention of accounting records, which prevented our Office from performing auditing procedures.		
<b>Background:</b> The District was unable to demonstrate the validity of its financial activity for the audit period. Because of the lack of supporting records, we could not perform detailed testing over all financial activity and therefore cannot determine if losses occurred. In addition, we could not confirm the District spend funds only for allowable purposes or that all receipts collected were deposited in a timely manner.		
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
<b>Corrective Action Taken:</b> <i>-The District is doing regular back-ups.</i> <i>-We have been working on Receipt retention for submission with card payment. The credit cards are all District cards, each cardholder has a spending limit.</i>		

## INFORMATION ABOUT THE DISTRICT

The Dallesport Water District, formed in August 2009, provides water services to the Dallesport and Murdock communities in Klickitat County.

An elected three-member Board of Commissioners governs the District. At the District's December 8, 2010 meeting, an agreement was signed transferring ownership of Murdock Water and Mountain View Water Associations to the District. The systems will be owned, managed and operated by the District as individual systems, with independent budgets, improvements and Small Water System Plans. The agreement not only allows the District to aid these systems in seeking water system and fire protection improvements, but also puts the District in a better position for receiving funding that could benefit the entire Dallesport/Murdock peninsula.

The District had total revenues of approximately \$317,250 in 2019 and \$421,196 in 2020. The District is funded primarily through water sales and services.

<b>Contact information related to this report</b>	
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Contact:	Dallesport Water District, District Clerk
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Website:	<a href="http://www.dallesport-wa.org">www.dallesport-wa.org</a>

*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for the Dallesport Water District at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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