

Washington State Auditor's Office
Accountability Audit Report

Whatcom County

Report Date
November 2, 2011

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Issue Date
December 27, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

December 27, 2011

Council
Whatcom County
Bellingham, 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 Whatcom 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,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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November 2, 2011

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Audit Summary

Whatcom County
November 2, 2011

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Whatcom County from January 1, 2010 through December 31, 2010.

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:

- Petty cash
- Payroll
- Contracts and agreements
- Constituent concerns regarding
 - Ferry rates and lease
 - Open Public Meetings Act
- Assessor's Office
 - Software conversion
 - Property tax exemptions
- Safeguarding of assets
- Self insurance Sheriff's Office
 - Cash receipting
 - Citations
- Superior Court
 - Trust account
 - Collections

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

**Whatcom County
November 2, 2011**

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 a federal finding regarding inadequate internal controls to ensure time and efforts records were maintained.

Description of the County

Whatcom County November 2, 2011

ABOUT THE COUNTY

Whatcom County serves approximately 201,140 residents under its Home Rule Charter adopted in 1978. An elected, seven-member Council governs the County. Additional elected officials help govern the County including County Executive, Assessor, Auditor, Treasurer, Prosecuting Attorney and Sheriff. The County provides an array of services including health and human services, cooperative extension, Medical Examiner, parks and recreation, planning and development services, Auditor's Office (licensing and recording), Assessor's Office, Treasurer's Office and Public Works (engineering, equipment rental, ferry and maintenance and operations). In addition, the County provides District Court, District Court probation, Superior Court, Juvenile Court (probation and detention), Law Library, Hearing Examiner's Office, jail, Sheriff (emergency management and patrol), Prosecuting Attorney's Office (criminal and civil) and Public Defender.

For fiscal year 2010, the County operated on a general fund budget of \$84 million and had approximately 930 employees.

ELECTED OFFICIALS

These officials served during the audit period:

Council:	Sam Crawford Barbara Brenner Carl Weimer L. Ward Nelson (ending November 2010) Tony Larson (effective November 2010) Kath Kershner Bill Knutzen Ken Mann
County Executive	Pete Kremen
Assessor	Keith Willnauer
Auditor	Shirley Forslof
Prosecuting Attorney	David S. McEachran
Sheriff	Bill Elfo
Treasurer	Steven N. Oliver
Superior Court Judges:	Ira J. Uhrig Steven J. Mura Charles R. Snyder
District Court Judges:	David Grant Matthew Elich

APPOINTED OFFICIALS

Finance Manager

Brad Bennett

COUNTY CONTACT INFORMATION

Address: Whatcom County
 311 Grand Avenue
 Bellingham, WA 98225-4038

Phone: (360) 676-6700

Website: www.co.whatcom.wa.us

AUDIT HISTORY

We audit the County every year. The past five audits have reported four findings. We reported three findings in the 2005 audit relating to internal controls over cash receipting and monitoring in the Planning Department and the Treasurer's Office. No findings were reported in the 2006, 2007, or 2009 audits and there was one finding in the 2008 audit for restricted interest allocation to the general fund. These findings have been resolved.



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.

State Auditor
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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

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Jerry Pugnetti
Chuck Pfeil, CPA
Larisa Benson
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