

Washington State Auditor's Office

Accountability Audit Report

North Beach Water District Pacific County

Report Date
January 17, 2012

Report No. 1007254

Issue Date
February 21, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

February 21, 2012

Board of Commissioners
North Beach Water District
Ocean Park, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District 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 the North Beach Water District'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

Table of Contents

**North Beach Water District
Pacific County
January 17, 2012**

Audit Summary 1

Related Reports 2

Description of the District 3

Audit Summary

North Beach Water District Pacific County January 17, 2012

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the North Beach Water District from January 1, 2009 through December 31, 2010.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District 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:

- Open public meetings
- Safeguarding of assets (prior audit follow-up)
- Procurement
- Financial condition
- Utility revenue
- Payroll
- Contracts

RESULTS

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

**North Beach Water District
Pacific County
January 17, 2012**

FINANCIAL

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

Description of the District

North Beach Water District Pacific County January 17, 2012

ABOUT THE DISTRICT

The North Beach Public Development Authority was formed in October 2004 by the authority of Pacific County to acquire two private water companies in the north beach area. The Public Development Authority acquired the two private water companies and began water operations during 2006. The Authority transferred ownership to the North Beach Water District as of January 1, 2009.

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 seven employees. For the years under audit, the District operated on an annual budget of approximately \$1.2 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:	Brian Sheldon Gwen Brake R.D. Williams
-------------------------	--

APPOINTED OFFICIALS

General Manager	Bill Neal
-----------------	-----------

DISTRICT CONTACT INFORMATION

Address:	North Beach Water District P.O. Box 618 Ocean Park, WA 98640
Phone:	(360) 665-4144
Website:	www.northbeachwater.com

AUDIT HISTORY

We audit the District every other year. In the 2005-2006 audit, the District received a finding for its noncompliance of prevailing wage requirements. This finding has been resolved. The District has been free of accountability findings since 2007.



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
Chief of Staff
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

Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
Jerry Pugnetti
Chuck Pfeil, CPA
Larisa Benson
Jim Brittain, CPA
Jan Jutte, CPA, CGFM
Ivan Dansereau
Mike Murphy
Mindy Chambers
Mary Leider
(360) 902-0370
(866) 902-3900

Website
Subscription Service

www.sao.wa.gov
<https://www.sao.wa.gov/EN/News/Subscriptions/>