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NORTH BEACH WATER DISTRICT

PRESS RELEASE

North Beach Water District Announces Results of Accountability Audit

State Auditors give North Beach Water a clean bill of health.

Ocean Park, June 18, 2013: North Beach Water District today announced the Washington State Auditor's Office completed an accountability audit for the period January 1, 2011 through December 31, 2012.

State Auditors determined the District complied with state laws and regulations and its own policies and procedures. State Auditors reviewed the District's compliance with Washington State's Open Public Meetings Act, controls over utility billing and cash receipting, gifting of public funds, small and attractive assets, and payroll.

State Auditors did determine the District's billing software had several weaknesses. The software weaknesses centered around inadequate internal controls in utility billing and customer account management. State Auditors noted, "Without adequate internal controls over utility billing and adjustments the District will not be able to prevent or detect a loss of public funds timely, if at all."

The District's general manager had identified the weaknesses in the utility billing software in May, 2012 and started a process to select new utility billing software. In November, 2012 the District approved the purchase of new utility billing and accounting software that has strong internal controls. The District began implementing the new software in January of 2013. State Auditors noted, "As of March 2013 the District changed its software to improve internal controls over utility billing." According to the District's general manager, Bill Neal, "Acting quickly to replace the inadequate software saved the District from an audit finding and more importantly protects the District from a loss of public funds."

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