

Washington State Auditor's Office
Accountability Audit Report

City of North Bonneville
Skamania County

Report Date
October 29, 2012

Report No. 1008914

Issue Date
January 7, 2013



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

January 7, 2013

Mayor and City Council
City of North Bonneville
North Bonneville, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your City 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 City of North Bonneville'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

**City of North Bonneville
Skamania County
October 29, 2012**

Audit Summary	1
Related Reports	2
Description of the City	3
Status of Prior Audit Findings.....	5

Audit Summary

**City of North Bonneville
Skamania County
October 29, 2012**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of North Bonneville from January 1, 2011 through December 31, 2011.

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

- Utility billings/receivables/
cash receipting
- Open public meeting minutes
- Payroll/personnel
- Disbursements/expenditures
- Use of restricted funds
- Financial condition
- Cost allocations

RESULTS

In most areas, the City complied with state laws and regulations and its own policies and procedures.

However, we noted certain matters that we communicated to City management. We appreciate the City's commitment to resolving those matters.

Related Reports

**City of North Bonneville
Skamania County
October 29, 2012**

FINANCIAL

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements. That report includes a finding regarding the City's declining financial condition.

Description of the City

**City of North Bonneville
Skamania County
October 29, 2012**

ABOUT THE CITY

The City of North Bonneville serves approximately 1,000 citizens in Skamania County. It is administered by a mayor-council form of government with five elected Council members and an independently elected Mayor.

The City operated on a budget of approximately \$1.4 million in 2011. Its seven employees provide an array of services including water, sewer, Municipal Court, fire control, parks and recreation, planning and building, and police services.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Don Stevens
BreAnna Porter
Jim Runkles
Tim Dudley
Jennifer Stratton-Pies
Tom Herzig

APPOINTED OFFICIALS

Clerk-Treasurer-Administrator

John Spencer

CITY CONTACT INFORMATION

Address: City of North Bonneville
P.O. Box 7
North Bonneville, WA 98639

Phone: (509) 427-8182

Website: www.northbonneville.net

AUDIT HISTORY

We typically audit the City every two years. However, we performed a one-year audit during the current year at the City's request. During the prior audit, the City received one accountability finding regarding inadequate internal controls over financial operations. The City also received two financial statement related findings; one on inadequate internal controls to ensure accurate accounting and reliable financial reporting and another on the City's declining financial condition. The City has been taking steps to address the concerns identified.

Status of Prior Audit Findings

**City of North Bonneville
Skamania County
October 29, 2012**

The status of findings contained in the prior years' audit reports of the City of North Bonneville is provided below:

- 1. The City's internal controls over financial operations are inadequate to safeguard public resources and ensure compliance with state laws and regulations.**

Report No. 1007202, dated November 14, 2011

Background

The audit identified several significant internal control weaknesses in payroll, disbursements, use of restricted revenues, procurement, and utility billings and cash receipting. As a result, the City could not ensure all money was being used appropriately and for intended purposes, state laws and regulations were followed and that they were receiving all money due.

Status

The City has partially corrected the concerns noted in this finding. However, we have communicated to management certain matters that still need improvement. We will review the City's continued progress during our next audit.



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.

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