

Okanogan County Commissioner Notes
BOCC Notes, 7.26.16

RC - Ray Campbell, Commissioner
SK - Sheilah Kennedy, Commissioner
JD - Jim DeTro, Commissioner
LJ - Lanie Johns, County Clerk
PH - Perry Huston
LT - Laurie Thomas, Auditor
Carrie - From Auditor's office

Note taker arrives: 1:35

Discussion about an auction process for county underway (not on agenda.) BOCC had apparently asked advice of auditors on procedure.

ENTRANCE CONFERENCE: OKANGOAN COUNTY

Two representatives of the state Auditor's office are presenting at front table. Faced away from audience, mics not used, somewhat difficult to hear. Handout used to help with notes.

*Cash receipting - vehicles of 2015 - want to be sure done properly.

Cost allocation - How are cash allocated from different funds? Not as big a deal as it would be in a city.

Services may not equal the way the target safe written. Could have a restricted fund.

DeTro - Mazaed at how ignorant the public is. People look at the budget and as how BOCC can sit on those funds. They are run by a board. Most people look and think it is our fault.

RC - inaudible. We think we have good safeguards,,, but 9nadudible

Whether financial statements are presented fairly. So far, impressed with change made.

*Federal Grant compliance audit - schools and roads, child support Enforcement.

Fed compliance - new guidelines that are required to be used. Now, uniform guidance. You might hear that term. Changed some things about how they select the programs. This is the first year we are conducting under these guidances. We get a lot of coverage with schools and

roads. There was a question as to how many grants would be audited under the new guidance. We were not really sure...We think in some . inaudible

You were 30,000 away from????

sent engagement letter.

3 levels of reporting. in order of significance. or severity. Exit items are housekeeping.

Reminder - we receive a lot of confidential info from your staff.

Audit costs.

exc-pectednm
Communications:

MAIN CONTACT: LAURIE THOMAS.

Idea behind that Mics not being used. heard to hear speakers, who are facing away.

AUDIT DISPUTE.

END OF AUDIT: SENT TO MANAGEMENT , NOW ALSO THE BOCC. OU WILL GET SURVEY OF YOUR OWN.

LOSS REPORTING: NEEDS TO BE REPORTED RIGHT AWAY. THERE WAS A LOSS LAST YEAR - NOT EVEN REPORTED TO YOUR OWN AUDITOR.

SEO;AJ - I DON'T KNOW WHAT THIS WAS.

Auditor asks Laurie to speak..

IN December, we were notified by Noah how they could replace \$1,000 of bail \$\$ that went missing through September. They wanted documentation. That was the first we heard there was a loss. She asked for copy of their investigation, which was done in December instead of Sept . Didn't get their investigation until April. went missing Sept 4th. There was a n investigation - officers present, mother of the inmate was there, may have been other inmates also. It was determined that they could not figure out where it had gone. It was never found.

Aud - controls at jail have been made so it won't happen again.

LT - We also need to report these losses immediately to her, to BOCC. Need to be reported to state auditor's office also, but this wasn't brought to attention.

Aud - There have been times when she has contacted our office. But with this large a county, not everyone that should know does know. Internal procedures are important.

Aud - Available Resources?

Local govgt perforamnce center - tools and training. financial intelligence tool - online on the portal. Shows graphs and charges of data submitted to them, which can allow you to compare with other counties, etc.

We use it ourselves when we are evaluating, but it was meant more for folks in BOCC role to have another way of looking at financial data.

Auditor: In a month or so, they will be back for the exit conference.

Filers' workshop - in transiion to electronic process - staff members are now freed up to hold workshops around in the counties, one in each county each year. Meant to keep people in small types of districts up to date on electronic filing, etc.

1:56 - DeTro reads from computer something from Chris Bronch (?Skamania County) on extremism on public lands that he thinks looks very good. RC and DeTRO briefly discuss, inaudible.

DT - Continuing to look at computer. 3 wilderness areas, 5 fed state fish hatcheries, 2 dams disabled due to fish....on and on...testified before the feds. DeTro - he is spot on....shaies his head. Others od not respond. Lanie leaves.

Purpose of meeting: To share our planned audit scope so we are focused in the most sifnicant areas.

AUDIT SCOPE

Based on preliminary planning, will perform the following audits:

*Accountability audit for fiscal year 2015

Will assess for mangement, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition , will evaluate whether there is reasonable assurance for adherence to applicable state laws, regularions, and policies/procedures.

Plan to evaluate:

*Cash receipting - licensing

*Surplus property

*Cash receipting 0 jail

- *Procurement bid law
- *Cost allocation

FINANCIAL STATEMENT AUDIT for fiscal year 2015

Purpose of financial statement audit will be to provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with applicable reporting framework. Audit does not attempt to confirm accuracy of every amount, but searches for errors large enough to affect the conclusions and decisions of a financial statement user.

FEDERAL GRANT COMPLIANCE AUDITS FOR FISCAL YEAR 2015

An audit required pursuant to the federal Single Audit Act of 1984 when a local government spends more than a threshold amount in federal financial assistance annually (\$750,000 for 2015). Our objective is to determine whether there is compliance with federal requirements that could have a direct and material effect on a major federal program and to report on noncompliance.

We plan to test the following federal programs:

- *Schools and Roads, 10.664
- *Child Support Enforcement, 93.563

Federal requirements stipulate submission of these audit reports, along with Data Collection Form, to federal clearinghouse within 30 days after receipt of report or nine months after the end of the audit period, whichever is earlier.

ENGAGEMENT LETTER

We have provided an engagement letter which documents both of our responsibilities for conducting and performing the audit. Additionally, the letter identifies the cost of the audit, estimated timeline for completion, and expected communications.

LEVELS OF REPORTING

Findings - findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation, and material abuse or noncompliance with laws, regulations, or policies. You will be given opportunity to respond to a finding and this response will be published in the audit report.

Management Letters: Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

Exit Items:

Exit times address control deficiencies or non-compliance with laws or regulations that have an insignificant or immaterial effect, or errors with an immaterial effect on the financial statements. These issues are informally communicated to management.

OTHER INFORMATION

Confidential Information

Our office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

Audit Costs

The cost of the audit is estimated to be approximately \$58,000 plus travel expenses.

Expected Communications

during the course of the audit, we will communicate with Laurie Thomas, Auditor, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, an event or concern comes to your attention of which we should be aware. We will expect Laurie to keep us informed of any such matters.

Audit Dispute Process:

Please contact the Audit Manager or Deputy Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

Audit Survey

When your report is released you will receive an audit survey. We value your opinions on our audit services and hope you provide us feedback.

Loss Reporting (See additional discussion.)

Local governments are required to immediately notify our Office in the events of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at (gives address of Portal: <http://portal.sao.wa.gov/saoportal/subpolic.aspx/Loss-Report>).

DISCUSSION OF JAIL BOND LOSS

Available Resources

Local government Support Team: Team that provides support services to local gov'ts thru technical assistance, comparative statistics, training, tools to help prevent and detect loss of public funds. Website and client portal offers many resources including client Help Desk that answers auditing and accounting questions. Also assists with online filing of your financial statements.

Local Gov't Performance Center

Performance Center is a resource for local governments that need to solve problems, reduce costs, improve value of services to citizens. The Center offers training and tools to help local gov'ts improve performance and effectiveness. One tool provided by Center is the Financial Intelligence Tool, or FIT. Available to majority of governments that report financial statements using the BARS cash basis of accounting. You can download FIT thru the online Client Portal where you sign in to file your annual report.

FIT is designed to provide understandable info to financial decision makers of any experience level. Financial data that you file online is presented clearly using widely accepted financial guidelines. One-page explanation found at: www.sao.wa.gov/local/Documents/FIT_Announcement_2015.pdf.

ZONING CODE HEARING 2:30

Perry - reads purposes, etc. 2016-4 : Zone Code 2015-1. Will adopt Zone map. Will adopt findings, which are statements gleaned from record, and conclusions of law. If 2016 - 1 , advise adoption of 2016-3 (Interim zone code) also (?) Cannabis adoption.

Recap: Zone code stems from comp plan. Initiated in 2005. Pace has picked up.

Zone Code - if approved, valid upon adoption and will be immediately adopted.

Turns over to commissioners.

RC Question: On the cannabis operations there, it was the request I think in place of a 1-mile radius around school districts public and private schools ("PH). I would like to again go through what that verbiage is because I ...I don't have that...it was related to type of operations, discussion of relating to cannabis overall.

PH - Final amendment, as requested by commissioners - Except retail stores, covers growing, processing, . retail stores because proximity would be in an area where the retail stores might be forced out into the hinterland but should be centered around the centers....was (inaudible)

RC - that answers my question.

SK - Item #58 in findings: Should address tribe's zoning code along with ours?

DT - Minimum requirement diet?

PH - #60?

DT - #68. Within Colville reservation.

PH - Finding #60 = explained idea that minimum requirement dist was relatively flexible. But keeping in mind, on Reservation we have to coordinate with the tribe's plan. So for project review, not only look at min requirement district but also policies, etc. of the tribe.

PH - One Amendment suggestion was within minimum requirement district - would require review of all plans and policies of both agencies.

PH - Other qu's?

PH - offers 2016-4

RC - Moves to approve 2016-4 as presented.

SK - Including revised zone code, revised map, findings and conclusions of law. SK - 2nd

DT - Reads description. PH - clarifies that all are adopted.

2:40 - Motion carried.

PH: 2016-3 offered for consideration.

RC - motion to approve (to repeal Ord of December 22, 2014.

All in favor. Motion Carries.

PH - 64-2016 offered

RC - moves to approve. Repeals resolutions imposing moratorium of siting of additional cannabis operations, etc. 017 -2016 on csigin of additional majrijauna processing.

Approved (I didn't hear any ends...???)

Angie - subdivision, cluster, etc. are next - all laugh.

Someone named Ron came and complimented them.

E. WA. COG - Cathy Mc Morris Rogers will have the first hour this Friday.

(Vaughn Jolley comes in . DeTro says : Int zone code repealed, Moratorium lifted.)

