

Zoom Meeting

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Accountability Audit Results

January 1, 2020 through December 31, 2020

Results in Brief

This report describes the overall results and conclusions for the areas we examined.

In those selected areas, Lewis County operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

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Financial Audit Results

January 1, 2020 through December 31, 2020

Unmodified Opinion Issued

- Opinion issued in accordance with U.S. GAAP
- Audit conducted in accordance with *Government Auditing Standards*

Internal Control and Compliance over Financial Reporting

- We identified no significant deficiencies in internal control
- We identified no deficiencies that we consider to be material weaknesses.
- We noted no instances of noncompliance that were material to the financial statements of the County


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Cash Reconciliation and Fiduciary Fund Statements– Management Letter



Office of the Washington State Auditor
Pat Nuckley

December 11, 2020

Executive Board of Early Childhood
Clark County, Washington

Management Letter

This letter includes a summary of specific matters that we identified in auditing all activities and financial statements of Clark County from January 1, 2020 through December 31, 2020. We discuss all of our observations and recommendations in an accompanying report. This letter is intended for your information only.

We will discuss the status of these matters during our next visit. We have advised appropriate personnel with all such obligations for responsiveness to certain officials and personnel. If you have any further questions, please contact me at (509) 485-6222.

This letter is prepared for the information and use of management and the governing body and is not intended for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would appreciate the opportunity to meet and answer questions to your staff for this report and accompanying financial statements.

Sincerely,
Joshua Young
Joshua Young, Acting Audit Manager

Management Letter
January 1, 2020 through December 31, 2020

Cost Accounting

County management is responsible for designing, implementing, and maintaining internal controls that provide reasonable assurance financial statements are reliable and fully represent the Treasurer's Office. There are not four general accounts in place for general services and expenditures through the County's general ledger and book statements. We found the book statements included multiple accounts recording items for cash and investments. The most deficiencies were the following items:

- December 2020 closing an investment was excluded from the ending investment balance resulting in an understatement of \$2,947.
- December 2020 cash item that was not included in the reconciliation resulting in an understatement of \$78,467. There were no other cash items included and no change to total.
- December 2020 cash account in bank online under the 2018-19 Unrestricted Investment - December 2020 account. The 2019 ending in an understatement of \$49,208.
- Cash account with the bank at year end resulting in \$49,208 was reported as a reconciling item instead of being included with cash and investments, resulting in an understatement of \$49,208.
- Other various differences for investment reconciling items and other resulting in an understatement of \$2,947.

In total, we noted there may be an understatement to cash and investments of \$129,622.

Our Office understands the difficulty in maintaining the prior audit.

We recommend that County management to conduct controls over preparing and reviewing cash reconciliations to ensure it accurately reports financial statement balances.

Financial Statement

Internal and other agencies, County management and the public rely on the information included in the financial statements and reports to make decisions. The County is responsible for designing and maintaining internal controls that ensure financial statements are prepared and fully presented using generally accepted accounting principles (GAAP). These financial statements are prepared on a cash basis and are not audited. The County management is responsible for designing, implementing, and maintaining internal controls that ensure financial statements are prepared and fully presented using generally accepted accounting principles (GAAP). These financial statements are prepared on a cash basis and are not audited. The County management is responsible for designing, implementing, and maintaining internal controls that ensure financial statements are prepared and fully presented using generally accepted accounting principles (GAAP). These financial statements are prepared on a cash basis and are not audited.

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Federal Grant Compliance Audit Results

January 1, 2020 through December 31, 2020

Unmodified
Opinion Issued

- Opinion issued on the County's compliance with requirements applicable to its major programs.
- Audit conducted in accordance with *Government Audit Standards* and the *Uniform Guidance*

Internal Control
and Compliance
over Major
Programs

- We identified significant deficiencies in internal control
- We identified no deficiencies that we consider to be material weaknesses.
- We noted no instances of noncompliance that are required to be reported; however, we did identify questioned costs that are required to be reported.




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Major Programs Selected for Audit



CFDA No.	Program or Cluster Title	Total Amount Expended
20.106	Airport Improvement Program	\$2,915,946
20.019	Coronavirus Relief Fund	\$8,750,758

These costs amount to approximately 64 percent of the total federal expenditures for 2020

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Airport Improvement Program - Finding

2020-001: The County improperly charged the program for unallowable expenditures incurred outside the grant period.

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Tracker: A clear path to all your audit information

Using tracker, your government can:

- Get up to speed more quickly when turnover occurs
- Better and more quickly prepare for upcoming audits
- More easily identify and resolve issues
- Enter a status update at the time of the change
- Show quickly that it resolved an issue – and get the credit for that expedient resolution



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Working Together to Improve Government

Local Government Support Team

- BARS & Annual Online Filing
- Accounting and Reporting Training
- Client portal, including helpdesk

The Center for Government Innovation

- Process improvement facilitations
- Resources, tools and best practices
- Financial Intelligence Tool (FIT)
- Center@sao.wa.gov



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Closing Remarks

- Audit costs are slightly higher than our original estimate due to issues identified during the course of the audit.
- Next audit: 2022
 - Accountability for public resources
 - Financial statement
 - Federal programs

An estimated cost for the next audit has been provided in our exit packet.

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Report Publication

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- ✓ Sign up to be notified by email when audit reports are posted to our website:

<https://sao.wa.gov/about-sao/sign-up-for-news-alerts/>

Audit Survey

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



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