

**COMMISSIONERS' MINUTES
KITTTITAS COUNTY, WASHINGTON
COMMISSIONERS AUDITORIUM
SPECIAL MEETING**

THURSDAY

2:00 P.M.

JANUARY 20, 2011

Board members present: Chairman Paul Jewell, Vice-Chairman Alan Crankovich and Commissioner O'Brien.

Others: Catherine Dunn, Deputy Clerk of the Board; Judy Pless, Budget and Finance Manager; Patti Johnson, Solid Waste Director; Lisa Lawrence, Assistant Director; Julie Kjorsvik, Clerk of the Board; Christine Luvera, Lower District Court Administrator; Diana MacKenzie, Upper District Court Administrator; Gene Dana, Sheriff; Clay Myers, Undersheriff; Paula Hoctor, Jail Commander; Bob Gubser, Commander; Duke Senter, Information Services Director; Deanna Panattoni, Treasurer; Megan Acree, Administrative Assistant; Marsha Weyand, Assessor; Matt Anderson, Facilities Maintenance Director; James Rivard, Public Health; Lisa Young, Human Resources Director; Kathy Jurgens, Financial Systems Manager, Public Works; Dustin Kinley, Jim Jones and Beth Mauch, State Auditors.

SPECIAL MEETING

STATE AUDITORS EXIT CONFERENCE

COMMISSIONERS

Chairman Jewell opened the meeting at 2:04 p.m.

Dustin Kinley, State Auditor's Office, said the audit scope was for the period from January 1, 2009 to December 31, 2009 and included Accountability for public resources and compliance with laws and regulations; Financial Statements and Federal Compliance. They were looking for compliance with laws and regulations in the following area: Cost Allocation to utility funds, contracts and agreements/change orders, County Fair, Sheriff's Office, Solid Waste Bank Reconciliations, ethics/conflict of interest laws, purchases and payments, payroll, restricted revenues - Real Estate Excise Tax (REET) funds and Donated assets. The Federal Compliance that was tested was to detect or prevent noncompliance with material federal requirements with Department of Homeland Security and Highway Planning and Construction grants and funds.

Jim Jones, State Auditor's Office, said the exit conference was delayed due to Federal deadlines for reporting being reported earlier than the remainder of the audit.

Dustin Kinley, Primary Auditor, said the County staff was good to work with and there were no material misstatements. The Federal Audit Finding was that Kittitas County's internal controls are

APPROVED
2/1/2011

inadequate to ensure compliance with federal Disaster Grant requirements. He said it pertained to vendors' payments of \$140,258 for flood recovery work without ensuring the vendors were not suspended or debarred from receiving Federal grant funds. The Management Letter items listed were: Financial Statement preparation, public works small roster projects, County Jail timely deposits, cost allocation plan update and Real Estate Excise Tax (REET) funds restricted funding. The Financial Statement item was due to the lack of expertise in accounting where the County did not follow account standards related to reporting landfill liabilities.

Chairman Jewell asked if the landfill liabilities should be treated as account payables. **Dustin Kinley** and **Jim Jones** agreed they should be.

Mr. Kinley said there was a Management Letter item regarding a repeat issue with Small Roster Contracts for public works. He explained this was not an issue with the Department of Public Works, but with contracts awarded under the Small Works Roster for public works. State law requires that a list of contracts be posted for the public which hasn't been done for the last two audit periods. There was a discussion on where to post the list.

Mr. Kinley said there were three Exit items to report: County Corrections Center (timely deposits of inmate funds); cost allocation plan (the County plan needs to be updated); REET fund restrictions (items to be funded need to be allowable and on the Capital Facilities Plan which needs to be updated). **Chairman Jewell** noted that the update of the Capital Facilities Plan was in progress.

Mr. Kinley said of the prior recommendations, two had been partially resolved and one completely resolved. He thanked County staff for a good audit and said they would be back later in the year for the next audit. **Beth Mauch, Audit Manager**, submitted the Management Letter to the Board of Commissioners.

The meeting was adjourned at 2:30 p.m.

DEPUTY CLERK OF THE BOARD



Catherine Dunn

KITTITAS COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON



Paul Jewell, Chairman