

Washington State Auditor's Office
Accountability Audit Report

Town of Coupeville
Island County

Audit Period
November 5, 2010

Report No. 1004582

Issue Date
November 22, 2010



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

November 22, 2010

Mayor and Town Council
Town of Coupeville
Coupeville, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your Town 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 Town of Coupeville'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

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Island County
November 5, 2010**

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Audit Summary

Town of Coupeville
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ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Town of Coupeville from January 1, 2008 through December 31, 2009.

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

- Indirect cost allocation
- Bid law compliance
- Disbursements/expenditures
- Restricted funds
- Professional service agreements/
change orders
- State grants
- Payroll/overtime

RESULTS

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

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

Related Reports

**Town of Coupeville
Island County
November 5, 2010**

FINANCIAL

Our opinion on the Town's financial statements is provided in a separate report, which includes the Town's financial statements.

Description of the Town

Town of Coupeville
Island County
November 5, 2010

ABOUT THE TOWN

The Town of Coupeville encompasses approximately 1.1 square miles in Island County and has a population of approximately 1,910 citizens. The Town provides services including administration, public safety, planning, public works, utilities and parks and recreation. In addition, the Town has a franchise agreement for solid waste collection and cable service. Central Whidbey Fire District provides fire protection service for the Town.

An elected, five-member Council and an independently elected Mayor govern the Town. The Council appoints management to oversee the Town's daily operations as well as its 15 employees. For fiscal years 2008 and 2009, the Town budgeted expenditures of \$6,495,542 and \$5,348,120, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor:
Town Council:

Nancy Conard
Ann Dannhauer
Bob Clay
Molly Hughes
Dianne Binder
Jim Phay

APPOINTED OFFICIALS

Town Planner
Public Works Director
Town Marshal
Clerk-Treasurer

Larry Kwarsick
Malcolm Bishop
David Penrod
Judy Thomas

TOWN CONTACT INFORMATION

Address: Town of Coupeville
P.O. Box 725
Coupeville, WA 98239

Phone: (360) 678-4461

Website: <http://townofcoupeville.org>

AUDIT HISTORY

We audit the Town every two years. The Town has not received a finding in at least the last seven audits. The Town has been proactive in resolving issues we have brought to its attention and most issues are resolved prior to the 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 in cooperation 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 our 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 continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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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