



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

Town of Coupeville

Island County

For the period January 1, 2012 through December 31, 2013

Published December 29, 2014

Report No. 1013309





Washington State Auditor Troy Kelley

December 29, 2014

Mayor and Town Council
Town of Coupeville
Coupeville, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Town operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Town's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR

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AUDIT SUMMARY

Results in brief

In the areas we audited, Town operations complied with applicable requirements and provided adequate safeguarding of public resources. The Town also complied with state laws and regulations and its own policies and procedures in the areas we examined.

However, we noted certain matters that we communicated to Town management in a letter dated December 15, 2014, related to internal controls over financial operations. We appreciate the Town's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the Town of Coupeville from January 1, 2012 through December 31, 2013.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Town's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open Public Meetings Act
- Payroll/personnel
- Credit card controls and payment
- Software access levels/new system implementation

STATUS OF PRIOR AUDIT FINDINGS

The status of findings contained in the prior years' audit reports of the Town of Coupeville is provided below:

1. The Town paid its employees extra compensation which is not allowable per the Washington State Constitution.

Report No. 1009833, dated March 29, 2013

Background

During 2011 and 2012, the Town approved budget amendments to authorize one-time payments of \$1,200 per full-time employee, as retroactive pay.

Status

The condition reported in the 2012 audit has been resolved. There were no retroactive or additional compensation payments for employees in 2013 or 2014 to date.

RELATED REPORTS

Financial

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

INFORMATION ABOUT THE TOWN

The Town of Coupeville encompasses approximately 1.1 square miles in Island County and has a population of approximately 1,865 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. For fiscal years 2012 and 2013, the Town had budgeted expenditures of \$5,088,589 and \$6,118,461, respectively.

Contact information related to this report	
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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Town of Coupeville at <http://portal.sao.wa.gov/ReportSearch>.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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