

Washington State Auditor's Office
Accountability Audit Report

Whatcom Council of Governments
Whatcom County

Audit Period
January 1, 2002 through December 31, 2003

Report No. 67177

Issue Date
September 3, 2004



Washington
State Auditor
Brian Sonntag

Audit Summary

Whatcom Council of Governments Whatcom County January 1, 2002 through December 31, 2003

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Whatcom Council of Governments for the period January 1, 2002, through December 31, 2003.

We performed audit procedures to determine whether the Council complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

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

RELATED REPORTS

Our opinion of the Council's financial statements and compliance with federal program requirements is provided in a separate report, which includes the Council's financial statements.

CLOSING REMARKS

We appreciate the Council's prompt attention to resolve prior audit issues and its commitment to ensure compliance with conditions reported this audit. We thank Council officials and personnel for their assistance and cooperation during the audit.

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Whatcom County
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Description of the Council

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ABOUT THE COUNCIL

The Whatcom Council of Governments is an intergovernmental organization that serves as a coordinator for projects primarily relating to transportation issues that affect multiple levels of government. The Council had operating expenditures of \$1.4 million.

The governing officials of the Council consist of an Executive Board and Full Council. The Executive Board meets on a monthly basis to carry out the responsibilities of the day-to-day Council activities. The Full Council meets on a quarterly basis to adopt budgets and policies. Mayors, Executives, Commissioners and Council Members of local governments serve as Board Members. The Council receives its funding from local dues along with state, federal and local grants.

AUDIT HISTORY

We audit the Council annually. The past five audits have been free of findings.

ELECTED OFFICIALS

These officials served during the audit period:

Executive Board (2003):

Bellingham City Council	Bob Ryan, Chair
Mayor, Blaine	Dieter Schugt
Port of Bellingham	Ginny Benton
Whatcom County Executive	Pete Kremen
Mayor, Bellingham	Mark Asmundson
Whatcom County Council	Sam Crawford
Mayor, Lynden	Jack Louws
Nooksack City Council	Jess Reeves, Sr.

Full Council (2003):

Everson City Council	Matt Lagerwey
Sumas City Council	Dennis Holmstrom
Ferndale City Council	Mike Reilly
Bellingham City Council	Barbara Ryan
Whatcom County Council	Seth Fleetwood
Whatcom County Water District No. 10	Tom Hadd
Birch Bay Water and Sewer District	Pat Alesse
Everson City Council	Joy Monjure

Executive Board (2002):
Bellingham City Council
Mayor, Blaine
Port of Bellingham
Whatcom County Executive
Mayor, Bellingham
Whatcom County Council
Mayor, Lynden
Mayor, Ferndale

Bob Ryan
Dieter Schugt
Ginny Benton
Pete Kremen
Mark Asmundson
Sam Crawford
Jack Louws
Carolyn Jensen

Full Council (2002):
Everson City Council
Sumas City Council
Nooksack City Council
Bellingham City Council
Whatcom County Council
Whatcom County Water District No. 10
Birch Bay Water and Sewer District

Matt Lagerwey
Dennis Holmstrom
Jess Reeves, Sr.
Barbara Ryan
Dan McShane
Tom Hadd
Pat Alesse

APPOINTED OFFICIALS

Executive Director

James Miller

ADDRESS

Council

314 East Champion
Bellingham, WA 98225

Audit Areas Examined

Whatcom Council of Governments Whatcom County January 1, 2002 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the Whatcom Council of Governments' financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Council were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the Council's accountability in the following areas:

- Cash receipting and revenues
- Fixed assets
- Purchase of goods and services

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Required financial schedules
- Risk management
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Travel expenses
- State grants
- Allowable expenditures

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the Council's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

FINANCIAL AREAS

Our opinion on the Council's financial statements is provided in a separate report. That report includes the Council's financial statements and other required financial information. We examined the financial activity and balances of the Council including:

- Cash and investments
- Revenues
- Expenditures
- Overall presentation of the financial statements