

**Washington State Auditor's Office**  
**Accountability Audit Report**

---

**Whatcom Council of Governments**  
**Whatcom County**

Report Date  
**April 16, 2010**

**Report No. 1003723**

Issue Date  
**June 7, 2010**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

June 7, 2010

Council  
Whatcom Council of Governments  
Bellingham, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your Council 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 Whatcom Council of Governments' 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

Table of Contents

**Whatcom Council of Governments  
Whatcom County  
April 16, 2010**

Audit Summary ..... 1

Related Reports ..... 2

Description of the Council ..... 3

# Audit Summary

## Whatcom Council of Governments Whatcom County April 16, 2010

### **ABOUT THE AUDIT**

This report contains the results of our independent accountability audit of the Whatcom Council of Governments for the period from January 1, 2008, through December 31, 2009.

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

- Fixed assets – inventory and surplus
- Cash receipting – separation of duties
- Smart Trip awards and credit card monitoring
- Disbursements
- Contracts – professional services
- Donations
- PayPal

### **RESULTS**

In the areas we examined, the Council's internal controls were adequate to safeguard public assets. The Council also complied with state laws and regulations and its own policies and procedures in the areas we examined.

## Related Reports

**Whatcom Council of Governments  
Whatcom County  
April 16, 2010**

### ***FINANCIAL***

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

### ***FEDERAL GRANT PROGRAMS***

We evaluated internal controls and tested compliance with the 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.

# Description of the Council

## Whatcom Council of Governments Whatcom County April 16, 2010

### ***ABOUT THE COUNCIL***

The Whatcom Council of Governments is an inter-governmental organization that coordinates projects primarily relating to transportation issues to mutually benefit the member entities. Established in 1966 as a multi-jurisdictional body, the Council represents local governments in Whatcom County, which serve an estimated 185,000 citizens. The Council has a staff of 12 employees. In fiscal year 2008 and 2009, the Council operated on budgets of approximately \$1.9 million and \$1.6 million, respectively. The majority of the Council's funding comes from federal, state and local grants along with local dues.

The governing officials of the Council consist of an Executive Board and Full Council. The Full Council is a 20-member board comprised of elected representatives of local general purpose and special district governments throughout Whatcom County. The Executive Board carries out the responsibilities of day-to-day Council activities. Mayors, Executives, Commissioners and Council Members of participating local governments serve as Board Members. As of December 31, 2009, the Full Council included representatives from the following local governments: city of Bellingham, city of Blaine, city of Everson, city of Ferndale, city of Lynden, city of Nooksack, city of Sumas, Whatcom County, Port of Bellingham, Birch Bay Water and Sewer District and Lake Whatcom Water and Sewer District.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

#### Executive Board:

|                    |                        |
|--------------------|------------------------|
| City of Lynden     | Jack Louws             |
| City of Sumas      | Bob Bromley            |
| Port of Bellingham | Scot Walker            |
| Whatcom County     | Pete Kremen            |
| City of Bellingham | Dan Pike               |
| Whatcom County     | Sam Crawford           |
| City of Bellingham | Louise Bjornson (2009) |
| City of Ferndale   | Gary Jensen            |
| City of Bellingham | Barry Buchanan (2008)  |

Full Council (2009) includes the Executive Board plus the following:

City of Everson  
City of Blaine  
City of Nooksack  
City of Bellingham  
Whatcom County  
Lake Whatcom Water and Sewer District  
Birch Bay Water and Sewer District  
City of Bellingham

Andy Rowison  
Bonnie Onyon  
Tom Jones  
Barbara Ryan (2009)  
Seth Fleetwood  
  
Tom Hadd  
Pat Alesse  
Louise Bjornson (2008)

### ***APPOINTED OFFICIALS***

Executive Director  
Finance Manager  
Office Manager

Jim Miller  
Ron Cubellis  
Leslye O'Shaughnessy

### ***COUNCIL CONTACT INFORMATION***

Address:           Whatcom Council of Governments  
                          314 E. Champion Street  
                          Bellingham, WA 98225-4502  
  
Phone:             (360) 676-6974  
  
Web site:          [www.wcog.org](http://www.wcog.org)

### ***AUDIT HISTORY***

We audit the Council biennially. The past six audits have been free of findings. We attribute this to the Council's strong internal controls and timely response to audit recommendations.



## **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.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
**Ivan Dansereau**  
**Mike Murphy**  
**Mindy Chambers**  
**Mary Leider**  
**(360) 902-0370**  
**(866) 902-3900**

**Web Site**  
**Subscription Service**

[www.sao.wa.gov](http://www.sao.wa.gov)  
<https://www.sao.wa.gov/EN/News/Subscriptions/>