



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Whatcom Council of Governments

For the period January 1, 2018 through December 31, 2019

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**Office of the Washington State Auditor
Pat McCarthy**

May 26, 2020

Council Board
Whatcom Council of Governments
Bellingham, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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 Council operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the Council's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Council operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the Whatcom Council of Governments from January 1, 2018 through December 31, 2019.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Council's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements and credit cards
- Tracking and monitoring of theft sensitive assets
- Compliance with state grant requirements passed through Department of Transportation

RELATED REPORTS

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. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

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 Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION 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 225,300 citizens. The Council has a staff of nine employees. In fiscal years 2018 and 2019, the Council operated on budget of approximately \$1.7 million and \$2.0 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 a Council Board and an Executive Committee. The Council Board is a 15-member board comprised of elected representatives of local general purpose and special district governments throughout Whatcom County. The Executive Committee 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, 2018 and December 31, 2019, the Council Board 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, Lummi Nation, Port of Bellingham, and Lake Whatcom Water and Sewer District.

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 Whatcom Council of Governments 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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