

---

# Washington State Auditor's Office

---

Exit Conference

---

## Highland Water District

January 1, 2008 through December 31, 2009

February 10, 2010



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR

---

## Audit Information

### Audit Scope

Our audit was planned and conducted using a risk-based approach covering the following general areas for the period beginning January 1, 2008 and ending December 31, 2009:

- Accountability for public resources and compliance with laws and regulations

In keeping with general auditing practices, we did not examine every transaction, activity or area. Instead, our procedures focused on identifying and examining those transactions, activities or areas that posed the highest risk.

### Accountability for Public Resources and Legal Compliance

We evaluated accountability for public resources and compliance with certain laws and regulations in the following areas:

- Billings/receivables
- Cash receipting
- Open Public Meetings Act
- Ability to meet current and future obligations

---

## Audit Reports

### Accountability Report

This report summarizes the results of the accountability audit. The report will not include any findings.

This report is expected to be issued two to three weeks after this conference. We now offer a free subscription service that allows you to be notified by email when audit reports are released or posted to our Web site. You can sign up for this convenient new service on our website at:

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

---

# Audit Results

## Audit Recommendations

We are pleased to report no findings or management letter items. We will review the status of the following exit items in our next audit.

### Billing Adjustments

We noted a control weakness in the District's process for review of billing adjustments and write-offs. Adjustments can be made without management's approval and/or knowledge. We reviewed all adjustments made to the billing system in 2008 and 2009 and noted the following:

- In 2008, three out of 159 adjustments made did not have supporting documentation to show they were reviewed and approved by someone other than the preparer.
- In 2009, five out of 215 adjustments made did not have supporting documentation to show they were reviewed and approved by someone other than the preparer.

We recommend the District implement procedures for monitoring adjustments and write-offs to ensure all adjustments are reviewed and approved by someone other than the preparer.

## Status of Prior Audit Recommendations

<i>Prior Audit Exit Items</i>	<i>Resolved</i>	<i>Unresolved</i>
Inventory/Small and Attractive Assets	X	

---

## Concluding Remarks

We would like to thank officials and employees for their helpfulness and timely response to our audit requests. We will be sending an e-mail to Susan Forbes, Administrative Assistant, regarding an on-line customer service survey. This email will be from "State Auditor's Office <WA-StateAuditor@sao.wa.gov>". Please take a few minutes to complete this survey. Your feedback is important to our on-going commitment to continually develop and improve our audit process.

Your next audit is scheduled to be conducted in July/August 2010 and will cover the following general areas:

- Financial Statement
- Federal Programs