

Washington State Auditor's Office
Accountability Audit Report

**Public Utility District No. 1 of Clallam
County**

Report Date
June 11, 2009

Report No. 1001864

Issue Date
August 3, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

August 3, 2009

Board of Commissioners
Public Utility District No. 1 of Clallam County
Port Angeles, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District 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 Public Utility District No. 1 of Clallam County's 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

**Public Utility District No. 1 of Clallam County
June 11, 2009**

Audit Summary1
Related Reports2
Description of the District3

Audit Summary

Public Utility District No. 1 of Clallam County June 11, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Clallam County for January 1, 2008, through December 31, 2008.

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

- Payroll
- Credit cards and accounts
- Contracts and agreements
- Disbursements/expenditures
- Travel
- Conservation Rate Credit program

RESULTS

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

Related Reports

**Public Utility District No. 1 of Clallam County
June 11, 2009**

FINANCIAL

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

Description of the District

Public Utility District No. 1 of Clallam County June 11, 2009

ABOUT THE DISTRICT

Public Utility District No.1 of Clallam County provides electric, water and sewer service to residents of Clallam County. An elected, three-member Board of Commissioners governs the District. In addition, the Board has fiscal responsibility including budget authority, the power to set fees and issue debt consistent with provisions of state statutes. The Board appoints a General Manager to oversee the District's daily operations as well as its 130 employees.

The District provides electric service to approximately 30,000 customers, water service to approximately 4,300 customers and sewer service to 54 customers. The District's primary source of revenue comes from electric services. For fiscal year 2008, the District had an operating budget of \$44 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:	Hugh Haffner Ted Simpson William Purser
-------------------------	---

APPOINTED OFFICIALS

General Manager	Douglas Nass
Treasurer/Controller	Joshua Bunch
Internal Auditor	Jana Robbins

DISTRICT CONTACT INFORMATION

Address: Public Utility District No. 1 of Clallam County
2419 Hwy. 101 E.
P.O. Box 1090
Port Angeles, WA 98362

Phone: (360) 452-9771

Web site: www.clallampud.net

AUDIT HISTORY

We audit the District annually. In the last 22 years, the District has had no findings. Audit concerns are often discussed, addressed and resolved before completion of the audit. We believe this reflects the District's commitment to maintain a strong financial system.



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
<https://www.sao.wa.gov/EN/News/Subscriptions/>