

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

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

Report Date  
**August 22, 2011**

**Report No. 1006174**

Issue Date  
**August 29, 2011**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

August 29, 2011

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

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August 22, 2011**

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# **Audit Summary**

## **Public Utility District No. 1 of Clallam County August 22, 2011**

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of Public Utility District No. 1 of Clallam County from January 1, 2010 through December 31, 2010.

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 period:

- Conservation Rate Credit agreed upon procedures
- Bond covenants
- Citizen hotline
- Cash receipt testing
- Payroll
- Small and attractive assets such as computers

### ***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  
August 22, 2011**

### ***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 August 22, 2011**

### ***ABOUT THE DISTRICT***

Public Utility District No.1 of Clallam County provides electric, water and sewer service to residents of Clallam County. The District provides electric service to approximately 30,000 customers, water service to approximately 4,300 customers and sewer service to 54 customers.

An elected, three-member Board of Commissioners governs the District. The Board appoints a General Manager to oversee the District's daily operations as well as its approximately 130 employees. The primary source of revenue comes from electric services. For fiscal year 2010, the District operated on an annual budget of \$46 million.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Commissioners:

Ted Simpson  
Will Purser  
Hugh Haffner

### ***APPOINTED OFFICIALS***

General Manager  
Treasurer/Controller

Douglas Nass  
Joshua Bunch

### ***DISTRICT CONTACT INFORMATION***

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

Phone: (360) 452-9771

Website: [www.clallampud.net](http://www.clallampud.net)

## ***AUDIT HISTORY***

We audit the District every year. The District has been free of findings for the past 24 years. 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**

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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.

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**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**  
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