



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Stevens County

For the period January 1, 2021 through December 31, 2021

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

April 20, 2023

Board of Commissioners
Stevens County
Colville, 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 County 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 County'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 value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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AUDIT RESULTS

Results in brief

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

As referenced above, we identified areas where the County could make improvements. These recommendations are included with our report as a finding.

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 Stevens County from January 1, 2021 through December 31, 2021.

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 Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the County's use 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 year ended December 31, 2021, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Use of restricted funds – hotel/motel taxes
- Selected IT security policies, procedures, practices and controls protecting financial systems – user access
- Self-insurance for unemployment
- Cash receipting – timeliness and completeness of deposits at the Sheriff's Office
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Stevens County January 1, 2021 through December 31, 2021

2021-001 The County did not comply with the Open Public Meetings Act's requirements to promptly record meeting minutes and make them open to public inspection.

Background

Stevens County serves more than 46,000 residents in northeastern Washington. An elected, three-member Board of Commissioners governs the County, which had annual expenditures of more than \$50 million in fiscal year 2021.

Under the Open Public Meetings Act (OPMA) (RCW 42.30.035), the County is required to promptly record minutes of regular and special meetings, and to make those minutes open to public inspection. The intent of this law is to ensure citizens have access to their governments' actions and deliberations.

Description of Condition

The County's original meeting minutes were not readily available for public inspection. At the end of our financial statement and federal compliance audit of the County in September 2022, we reviewed its meeting minutes for subsequent events. We found the County's public website was missing minutes for 17 meetings held between October 2021 and September 2022. We requested these meeting minutes from the County, and staff were unable to provide any of them. Further, during our review of minutes for the planning of the County's accountability audit in October 2022, we found minutes were missing for an additional five meetings. The County was also unable to provide these minutes.

Cause of Condition

Due to Commissioners' and their office staff's COVID-19-related absences, the County fell behind on completing the minutes and posting them at the end of fiscal year 2021. Additionally, the County Commissioners' office experienced staff turnover and had three different clerks between June 2021 and January 2023. Each of these clerks had to be trained on completing and posting meeting minutes to the County's website, further delaying the process.

Effect of Condition

By not posting meeting minutes timely for public inspection, the County did not meet the intent of the OPMA. When the County does not keep meeting minutes, it has no official record of what business was conducted. This limits transparency and the public's access to information about the County's business discussions and official decisions.

Recommendation

We recommend the County comply with the OPMA by promptly completing and posting its meeting minutes timely to ensure they are open to public inspection.

County's Response

Stevens County disagrees with the State Auditor's representation and interpretation of the plain language of the Open Public Meetings Act (OPMA), RCW 42.30. Specifically, RCW 42.30.035 states "The minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection." This law has been unchanged since 1953. In compliance with the OPMA, Stevens County personnel promptly records the actions of each meeting as it occurs, by attending and taking notes. These notes/recordings are available for public inspection. Nothing in the statute requires transcribing, approval and/or posting on a website on a timely basis. Nor is there any reference to such in any portion of the OPMA. Stevens County is in compliance with the plain language of the OPMA. There is no rule or provision of law that allows the State Auditor's Office to enhance interpretation of the plain language of the law. Stevens County disagrees that there is any violation or lack of compliance with the OPMA.

It is the practice of Stevens County to record each meeting and transcribe those meeting notes into minutes that then are approved by the Board. Upon approval, the transcribed minutes are posting on our website. Due to circumstance outside the control of the County including employees quarantined due to the COVID pandemic, all new personnel, and family death, the transcription and approval process was delayed. Prior to any notice of State Auditor's findings, the County has put measures into place to streamline our process to ensure transcribed minutes are approved and posted more efficiently. Stevens County continues to work to improve efficiency and transparency in all areas.

Stevens County is committed to being transparent and open with the public. All agendas are posted ahead of meetings which outline the topics to be discussed that

week. All meeting except executive sessions are open to the public, including via phone and internet based meeting access upon request. As stated above, each meeting is promptly recorded via notes and those notes are available for public inspection. Stevens County is in compliance with the plain language of the statute.

Auditor's Remarks

When we requested documentation for the meetings that took place in 2022, the County was only able to provide agendas for those meetings. Stenographic notes or tapes do not constitute the “minutes”. They become “minutes” and hence open to public inspection, only after they have been transcribed and recorded and then officially adopted by the body at its next meeting. We reaffirm our finding and will review the status of these issues during our next audit.

Applicable Laws and Regulations

RCW 42.30.035 – Open Public Meetings Act – Minutes, requires that the minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.

Attorney General Letter Opinion 1972 No. 19

RELATED REPORTS

Financial

Our opinion on the County's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the County'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 County's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding regarding federal procurement. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE COUNTY

Stevens County was incorporated in 1863 and currently serves approximately 46,222 citizens. An elected, three-member Board of Commissioners governs the County. Additional elected officials help administer County operations including the offices of: Assessor, Auditor, Clerk, Coroner, Prosecuting Attorney, Sheriff and Treasurer.

For fiscal year 2021, the County operated on an annual budget of approximately \$86 million. The County's 477 employees provide an array of services including general administration, judicial administration, public safety, street improvement, economic development, solid waste, health and counseling.

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 Stevens County at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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