

Washington State Auditor's Office
Accountability Audit Report

Beacon Hill Sewer District
Cowlitz County

Report Date
July 14, 2011

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August 29, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

August 29, 2011

Board of Commissioners
Beacon Hill Sewer District
Kelso, 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 the Beacon Hill Sewer District'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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Cowlitz County
July 14, 2011**

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Audit Summary

**Beacon Hill Sewer District
Cowlitz County
July 14, 2011**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Beacon Hill Sewer District from January 1, 2008 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:

- Billings/receivables
- Open public meetings/records laws
- Financial monitoring of operations
- Disbursements/expenditures
- Payroll/personnel

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

**Beacon Hill Sewer District
Cowlitz County
July 14, 2011**

FINANCIAL

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report includes a finding for material weaknesses due to inadequate internal controls over accounting and financial reporting.

Description of the District

Beacon Hill Sewer District Cowlitz County July 14, 2011

ABOUT THE DISTRICT

The Beacon Hill Sewer District was formed in 1959 to provide wastewater collection and transmission for the Beacon Hill and Columbia Heights areas of Longview and Kelso. Lexington area customers were added to the system in the early 1970's. The District serves approximately 3,000 customers. As of January 1, 2008, the District entered into an interlocal agreement with Cowlitz County Public Utility District No. 1 to manage and operate their water operations.

An elected, three-member Board of Commissioners governs the District. Board Members serve staggered, six-year terms. The Board appoints a District Manager to oversee the District's daily operations as well as its 10 employees. For 2008, 2009 and 2010, the District operated on annual budgets of approximately \$1.7 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Monte Roden
Dean Takko
Ted Branch

APPOINTED OFFICIALS

General Manager

Kim Adamson

DISTRICT CONTACT INFORMATION

Address: Beacon Hill Sewer District
1121 Westside Hwy.
Kelso, WA 98626

Phone: (360) 636-3860

Website: www.beaconhillsewer.org

AUDIT HISTORY

We typically audit the District once every two years. However, the current audit covers three years. The past 12 audits have been free of findings.



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.

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Jan Jutte, CPA, CGFM
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Mary Leider
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