

Washington State Auditor's Office
Accountability Audit Report

North Olympic Library System
Clallam County

Report Date
April 22, 2009

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May 18, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

May 18, 2009

Board of Trustees
North Olympic Library System
Port Angeles, Washington

Report on Accountability

Please find attached our report on the North Olympic Library System's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the District's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Clallam County
April 22, 2009**

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Audit Summary

North Olympic Library System Clallam County April 22, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the North Olympic Library System.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also examined District management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2006, through December 31, 2007.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

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

CLOSING REMARKS

We thank District officials and personnel for their assistance and cooperation during the audit.

Description of the District

North Olympic Library System Clallam County April 22, 2009

ABOUT THE DISTRICT

The North Olympic Library System serves 65,000 citizens in Clallam County. The District provides services in libraries located in Port Angeles, Sequim, Forks and Clallam Bay.

It is administered by a five-member Board of Trustees appointed by the Clallam County Board of Commissioners. The Board of Trustees appoints a Director to oversee the District's operations as well as its 60 employees. For fiscal year 2007, the District operated on an annual budget of \$2.8 million.

AUDIT HISTORY

We audit the District every two years. The District had no audit findings in past audits. Audit concerns are often discussed, addressed and resolved before completion of our audit. We believe this reflects the District's assertive style in maintaining a strong financial system with adequate internal controls.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Trustees:

Sue Cohn
Don Zanon
Megan Tuttle
Nina Pitts
Elaine Fredrickson

Director

Paula Barnes (effective June 2007)
George Stratton (through June 2007)

ADDRESS

District

2210 South Peabody
Port Angeles, WA 98362
(360) 417-8504

Audit Areas Examined

North Olympic Library System Clallam County April 22, 2009

In keeping with general auditing practices, we do not examine every portion of the North Olympic Library System's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

ACCOUNTABILITY

We evaluated the District's accountability in the following areas:

- Cash receipting
- Contracts/agreements
- Disbursements/expenditures
- Credit cards
- Payroll

FINANCIAL AREAS

Our opinion on the District's financial statements is provided in a separate report. That report includes the District's financial statements and other required financial information. We examined the financial activity and balances of the District including:

- Cash and investments
- Revenue
- Expenditures/expenses
- Overall presentation of the financial statements
- Financial statement preparation



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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