



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Kitsap Public Health District

For the period January 1, 2017 through December 31, 2017

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

February 21, 2019

Board of Health
Kitsap Public Health District
Bremerton, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office 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 District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the District'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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT RESULTS

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

However, as noted under the Related Reports – Special Investigations section of this report, certain matters were examined and reported as part of a separate engagement.

About the audit

This report contains the results of our independent accountability audit of the Kitsap Public Health District from January 1, 2017 through December 31, 2017.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended December 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting – timeliness and completeness of deposits and adjustments
- Accounts payable – general disbursements
- Tracking and monitoring of theft sensitive assets

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District'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 District'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 is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Special investigations

We noted certain matters that we communicated to District management in a letter dated February 12, 2019, relating to a loss of public funds through mileage reimbursements. We appreciate the District's commitment to resolving those matters.

INFORMATION ABOUT THE DISTRICT

The Kitsap Public Health District was organized in 1943 to protect and promote the health of Kitsap County residents by monitoring, preventing, and controlling disease, injury, disability and premature death. The District has three major divisions: Community Health, Environmental Health, and Administrative Services. According to the U.S. Census Bureau, in 2010, the Health District provided services to approximately 251,133 county residents.

The District provides essential services to individuals, families and the population at large. In May 2015, the Kitsap Public Health District achieved national accreditation through the national non-profit Public Health Accreditation Board (PHAB). The District is one of only five accredited local public health agencies in Washington State.

A seven-member Board of Health governs the District. The Board is composed of the three County Commissioners, and elected officials from the cities within Kitsap County. The District has approximately 105 employees at the end of 2017. For fiscal year 2017, the District's operating revenues and expenditures were approximately \$11.2 and \$11.4 million, respectively.

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|---|---|
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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Kitsap Public Health District at <http://portal.sao.wa.gov/ReportSearch>.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

| Contact information for the State Auditor's Office | |
|---|--|
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