



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

**Accountability Audit Report**

**Bainbridge Island Metropolitan Park  
and Recreation District**

**Kitsap County**

**For the period January 1, 2012 through December 31, 2013**

**Published January 29, 2015**

**Report No. 1013503**





# Washington State Auditor

## Troy Kelley

January 29, 2015

Board of Commissioners  
Bainbridge Island Metropolitan Park and Recreation District  
Bainbridge Island, 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 report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the Bainbridge Island Metropolitan Park and Recreation District from January 1, 2012 through December 31, 2013.

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.

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, 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
- Payroll
- Credit cards
- Interfund loans

## STATUS OF PRIOR AUDIT FINDINGS

The status of findings contained in the prior years' audit reports of the Bainbridge Island Metropolitan Park and Recreation District is provided below:

### **1. The District has unclear policies and inadequate controls over payroll activities resulting in overpayments.**

Report No. 1009831, dated June 3, 2013

#### *Background*

Because of the of the District's poor internal controls over payroll, we identified unsupported pay to an employee who was supervised by a relative and identified unsupported payments to other District employees due to missing timesheets.

#### *Status*

Payroll was immediately centralized and completed only by accounting personnel. New payroll software was put into place January 2014 along with new internal controls. The District recovered amounts recommended by the State Auditor's Office.

## RELATED REPORTS

### **Financial**

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

## INFORMATION ABOUT THE DISTRICT

The Bainbridge Island Metropolitan Park and Recreation District serves approximately 23,180 citizens in Kitsap County. The District maintains and operates nearly 1,400 acres of developed and undeveloped park land on Bainbridge Island. The District became a metropolitan park district by voter petition, which passed September 14, 2004.

An elected, five-member Board of Commissioners governs the District. A Board-appointed Executive Director oversees the District's daily operations and its approximately 125 full- and part-time employees. For fiscal years 2012 and 2013, the District had operating expenditures of approximately \$5.6 and \$6 million, respectively.

### 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 the Bainbridge Island Metropolitan Park and Recreation 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.

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