



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

**Accountability Audit Report**  
**Southwest Clean Air Agency**  
**Clark County**

**For the period July 1, 2015 through June 30, 2017**

**Published February 15, 2018**

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

February 15, 2018

Board of Directors  
Southwest Clean Air Agency  
Vancouver, 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 Agency 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 Agency'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 those selected areas, Agency operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

Because public distribution of tests performed and the related results over information technology could increase the risk to the Agency's IT security, distribution of that information has been limited to management and the governing body of the Agency and is kept confidential under RCW 42.56.420.

### About the audit

This report contains the results of our independent accountability audit of the Southwest Clean Air Agency from July 1, 2015 through June 30, 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 Agency'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 years ended June 30, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Disbursements including credit card transactions
- Receipting of credit card payments via third party vendors
- Payroll disbursements – validity of hours worked
- Controls over key software applications
- Financial condition and fiscal sustainability

## RELATED REPORTS

### Other reports

During the current audit period, the State Auditor's Office issued a report on agreed-upon procedures performed at the District. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE AGENCY

The Southwest Clean Air Agency was formed after passage of the 1967 Clean Air Act of Washington. The Agency's mission is to preserve and enhance air quality in southwest Washington by enforcing air quality regulations, monitoring emissions of air contaminants from various private industries and municipal agencies and contracting with specialists for studies and reports on pollution sources. The Agency covers Clark, Cowlitz, Lewis, Wahkiakum and Skamania counties.

An 11-member Board of Directors governs the Agency. The Board is appointed by the participating municipal agencies and one member-at-large from the private sector. The Board appoints an Executive Director to oversee the Agency's daily operations as well as its 14 employees. For the years under audit, the Agency operated on annual budgets of approximately \$1.97 million and \$2.08 million for fiscal years 2016 and 2017, respectively.

<b>Contact information related to this report</b>	
Address:	Southwest Clean Air Agency 11815 N.E. 99th Street Suite 1294 Vancouver, WA 98682-2454
Contact:	Traci Arnold, Office Administrator
Telephone:	(360) 574-3058 x 111
Website:	<a href="http://www.swcleanair.org">www.swcleanair.org</a>

*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for the Southwest Clean Air Agency 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.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>