

Columbia County FY16 FAWF

- **Sharon Richter, County Auditor and Audrey McLean, County Treasurer will be retiring at the end of 2018.**
- **New Accounting System** - The County is implementing a new accounting system in Jan 2017 by Tyler Technologies called InCode. All major accounting systems and processes will be effected including general disbursements, payroll, cash receipting, financial statement preparation ect.

We will need to gain an understanding of the following:

- **Internal controls over financial statement preparation**
 - **Internal controls over accounts payable and receivable processes**
 - **Software system conversion**
- **ER&R** - The County received an exit item during the prior audit for lack of review and adequate documentation regarding overhead rates for ER&R. Additionally, during inquiry a Commissioner voiced his concern over current ER&R charges. Further, the County approved new ER&R rates for 2016. During our analysis of vendor payments, we noted that total payments to ER&R increased 18% from 2015 to 2016. The risk exists that cost allocation rates may not be fair and equitable. Additionally, ER&R rental rates and processes may result in unallowable shifting of restricted resources (one fund benefiting another, as prohibited by RCW 42.09.210).

During the Entrance Conference held on 8/2/2017 we were informed that the County hired Forensic Accountant, Tom Sawatski in 2017 to perform an independent review and analysis of ER&R rates. **As a result we will FAWF this item to avoid duplicating efforts/work performed by others.**

- **Property Room** - The Sheriff's Department converted evidence tracking software from Spillman to New World in 2016. Between July 2016 and Jan 2017, items tracked in Spillman were not updated as returned/destroyed due to the data migration. Additionally, regularly scheduled internal audits have not been conducted by the Department. The last audit was performed in 2015. When converting to new software, an entity should ensure the accuracy and completeness of data transferred to the new system, that the new software is working correctly and that user accounts and security settings in the new system are appropriate. **The risk exists that Spillman data converted to New World may not be accurate and complete and/or a physical audit may not be performed timely to detect discrepancies between Spillman and New World data.**
- **Procurement – Professional Services** – During our review of minutes on August 27, 2017 we noted that the BOCC approved by motion the Behavioral Services Agreement with Blue Mountain Counseling for the Columbia County Human Services delivery for 7/1/2017-6/30/2018. The County has received two management letters and an exit item related to the procurement of the BMC contract which the County claims is sole source but lacks documentation justifying the sole source determination. **The risk exists the renewed contract was not procured in accordance with RCW 39.04.280(1)(a) for bidding exemptions and does not meet federal procurement requirements.**

Notes:

- **County has contract/agreement with Greater Columbia Behavioral Health (GCBH) which one of several Behavioral Health Organizations (BHOs) in Washington State.**
- **County has contract/agreement with DSHS for Behavioral Health Services.**
- **County contracts with Blue Mountain Counseling for the delivery of services under the above two contracts/agreements.**