



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

September 19, 2018

Board of County Commissioners/Auditor
Columbia County
Dayton, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our financial audit of the Columbia County from January 1, 2017 through December 31, 2017. We believe our recommendations will assist you in improving the County's internal controls in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to County officials and personnel. If you have any further questions, please contact me at (509) 734-7104.

This letter is intended for the information and use of management and the governing body and is not suitable for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for the cooperation and assistance given during the course of the audit.

Sincerely,

Ginny Waltman, Audit Manager

Attachment

Management Letter
Columbia County
January 1, 2017 through December 31, 2017

Schedule of Liabilities

The County is responsible for designing, implementing and maintaining an effective system of internal controls to ensure financial statements, related notes and supplementary schedules are accurately recorded and fairly presented, and to provide reasonable assurance regarding the reliability of those statements.

The County reported about \$5 million in liabilities on its Schedule of Liabilities. During our review of the Schedule of Liabilities, we identified that although the County had procedures to review the prepared financial statements and associated schedules, a control deficiency existed in that the review was not detailed enough to detect and correct the following misstatement:

- The County under-reported its beginning liabilities by about \$3.4 million.

We recommend the County perform a detailed review the Schedule of Liabilities to ensure the beginning balances are carried forward correctly from the prior year ending balances.