

Washington State Auditor's Office
Accountability Audit Report

Port of Kennewick
Benton County

Report Date
March 17, 2009

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WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

April 6, 2009

Board of Commissioners
Port of Kennewick
Kennewick, Washington

Report on Accountability

Please find attached our report on the Port of Kennewick's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Port's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Benton County
March 17, 2009**

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Audit Summary

**Port of Kennewick
Benton County
March 17, 2009**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Port of Kennewick.

We performed audit procedures to determine whether the Port complied with state laws and regulations and its own policies and procedures. We also examined Port management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2007, through December 31, 2007.

RESULTS

The Port complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

Our opinion on the Port's financial statements and compliance with federal program requirements is provided in a separate report, which includes the Port's financial statements.

CLOSING REMARKS

We thank Port officials and personnel for their assistance and cooperation during the audit.

Description of the Port

Port of Kennewick Benton County March 17, 2009

ABOUT THE PORT

The Port of Kennewick was formed in 1915 with the primary mission being to foster economic development. The Port boundaries encompass the cities of Kennewick and West Richland, the portion of Richland located south of the Yakima River and the surrounding areas of Benton County. The Port is governed by an elected, three-member Board of Commissioners. Commissioners serve staggered, six-year terms. The Port's assets include marina facilities, an airport and light and heavy industrial parks. For fiscal year 2007, the Port had approximately \$6.2 million in revenue. The Port has eight full-time employees.

AUDIT HISTORY

We audit the Port annually. This audit marked the 13th consecutive year in which no findings have been reported. Port officials have always been responsive to prior audit recommendations. We believe this reflects the Port's commitment to maintain a strong financial system.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:
President

Gene Wagner
Linda Boomer
David Hanson

APPOINTED OFFICIALS

Executive Director
Director of Finance & Auditor

Tim Arntzen
Tammy Fine

ADDRESS

Port

350 Clover Island Drive
Kennewick, WA 99336
(509) 586-1186
www.portofkennewick.org

Audit Areas Examined

Port of Kennewick Benton County March 17, 2009

In keeping with general auditing practices, we do not examine every portion of the Port of Kennewick's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Port were examined during this audit period:

ACCOUNTABILITY

We evaluated the Port's accountability in the following areas:

- Conflict of interest
- Contracts and agreements
- Procurement
- Open public meetings
- Purchases and sale of assets

FINANCIAL AREAS

Our opinion on the Port's financial statements is provided in a separate report. That report includes the Port's financial statements and other required financial information. We examined the financial activity and balances of the Port including:

- Cash and investments
- Capital assets
- Revenue
- Expenditures/expenses
- Overall presentation of the financial statements



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.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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

State Auditor
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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
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Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
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