



## Library Board of Trustees Special Biennial Audit Exit Meeting

June 11, 2019

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### Location

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Administrative Services 5205 Northwest Drive, Bellingham, WA 98225. (Note: “Library” refers to the Whatcom County Library System—WCLS.)

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### In Attendance

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State Auditor’s Office: Deena Garza, Audit Manager; Dee Dee Chapman, Audit Lead

Trustees: Marvin Waschke, Chair; June Hahn, Vice Chair; Lori Jump, Trustee

Staff: Christine Perkins, Executive Director; Jackie Saul, Director of Finance and Administration; and Darcy Riggins-Schmidt, Administrative Assistant

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### Call to Order

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Marvin determined quorum and called the meeting to order at 12:26 p.m.

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### Introduction

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Deena introduced the members of the audit team and provided an overview of the legal audit requirements. She expressed appreciation for the cooperation of WCLS and added that it was a very smooth audit process.

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### Accountability Audit Report

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Dee Dee advised that the report distributed was a draft of the audit report. She gave an overview of the draft Accountability Audit Report, which analyzes WCLS’s stewardship of public resources. WCLS demonstrated compliance with state laws, regulations, and its own policies and procedures. There were no findings or management letters relating to the Accountability Audit, only a few small exit recommendations.

In this audit cycle, the following areas were examined:

- Cash receipting process – Dee Dee referred the group to the exit point noted in the report and said that they visited various branches to observe their cash receipting processes. June asked which branches they had observed, Dee Dee replied she personally visited the Ferndale Public Library, North Fork Community Library, and the Sumas Public Library.

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### Financial Statements Audit Report

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Dee Dee referred the group to the portion of the report covering the draft Financial Statements Audit Report. This section is comprised of two parts—internal controls and compliance. The audit team did not identify any deficiencies or weakness in WCLS’ internal controls, nor did it find any instances of noncompliance.

Dee Dee said that the WCLS financial statements audited were given a clean opinion. There were no misleading or misrepresented statements. She added that their audit work refers to GAAP (Generally Accepted Accounting

Procedures) but that WCLS is a cash basis organization, which follows the State Budgeting, Accounting, and Reporting System (BARS). WCLS' financial statements meet the requirements of BARS.

The Financial Statements audit did result in the issuance of a Management Letter. Dee Dee explained that a Management Letter is issued to note matters of control deficiencies or non-compliance that are not material to the financial statements. In this case, the audit team identified errors in how certain funds and transfers were classified.

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### Closing Comments

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Deena restated that the audit reports presented are in draft form and said the Office of the Washington State Auditor welcomes input from the audited governmental agencies before the final reports are posted. Once complete, the final draft of the Accountability Audit Report will be available on the State Auditor's website. Deena said that the audit cost will be close to the estimated \$13,000 and Jackie will receive notification when the final reports are issued. Continuing on a two-year cycle, the next scheduled audit will occur in the spring of 2021.

Mutual thanks and appreciation were expressed for the positive attitudes on both sides throughout the audit process.

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### Announcements and Adjourn

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No further announcements.

Marvin adjourned the meeting at 12:49 p.m.

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Lori Jump, WCLS Trustee

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7/16/19  
Date

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Darcy Riggins-Schmidt, WCLS