

Lopez Island Library Board of Trustees  
2007-2010 Audit Exit Conference  
April 21, 2011

Approved as submitted on May 13, 2011

**Members present:** Sara Eppenbach and Tina Katzenberger were present. Bob Buchholz, Deborah Bundy, and Ilene Unruh were excused.

**District Management:** Lou Pray

**Personnel:** Judy Welker

**Guests:** Kirk Gadbois, Assistant State Auditor and Sadie Armijo, Audit Manager, both attending via conference telephone. No other guests were present.

**Call to Order:** The meeting was called to order upon receiving the incoming conference call at 3:00pm. It was stated for the record that those present did not constitute a quorum.

**Introductions:** Introductions of meeting participants were made.

**Agenda Review:** The agenda was reviewed. Exit conference agenda, Management Letter, and Exit Recommendations were emailed to the participants prior to the meeting. Mr. Gadbois explained what would be covered during the meeting. He gave his contact information in the event there were questions about the audit.

**Preliminary Audit Results:** Preliminary audit results were shared with Lou Pray and personnel. Mr. Gadbois thanked Lou and staff for their efforts in responding to information requests in a timely manner. He emphasized the state auditor's role in promoting accountability, and fiscal integrity and working as partners with the Library District to prevent problems and constructively resolve potential issues on behalf of the citizens.

**Audit Summary:** As a result of the audit for years 2007, 2008, and 2009, the state auditor's office will be issuing a report with three reporting levels: Accountability Audit, Management Level, and Exit Items. This report will be published on their website and also to anyone who is subscribed to receive such reports by email. The District will be mailed five copies of the report.

**Accountability Audit:** Areas examined were those representing the highest risk of non-compliance, misappropriation, or misuse. The following areas were examined: Open public meeting act; credit cards, cash receipting, and imprest account (petty cash accounts). The report does not include any findings (areas of non-compliance or significant deficiency).

**Management Letter:** Management Letter, dated April 21, 2011, lists areas of the District's cash receipting controls that could be improved. The letter states facts as reported by the district of daily cash receipting operations and accounting procedures as they relate to the County Treasurer. The letter goes on to point out weaknesses and lists recommendations for improvements to the District's daily operations. The management letter communicates issues not significant enough to include as a finding in the published report but are referenced in the report > Cash receipting and account reconciliations.

**Exit Recommendation:** The items listed in the Exit Recommendations are not referenced in the published audit report. These recommendations include: District to perform petty cash account reconciliations on a monthly basis; The District establish a policy defining the thresholds and processes it will use for competitive bidding of public works projects and purchases and a policy regarding the use of its credit cards (i.e., what are allowable purposes?) Regarding Opening Public Meetings Act – Executive Sessions, documentation could not determine if the act was adhered to

54 on two separate occasions (reason for entering executive session and if the anticipated duration of  
55 the session was announced prior to the beginning of the session). The recommendation is to  
56 maintain adequate documentation to demonstrate its compliance with the Open Public Meeting Act.  
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58 **Discussions and Questions:** Sarah Eppenbach asked about procurement.  
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60 **Next Audit:** The next scheduled audit will be conducted in 2013 and will cover years 2010 through  
61 2012.  
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63 **Adjournment:** With no other items to discuss, the meeting was adjourned at 3:35 PM.  
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65 **Attachments:** Exit conference agenda, Management Letter, and Exit Recommendations, dated  
66 April 21, 2011 are attached as part of the minutes.  
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69 Respectfully submitted: \_\_\_\_\_  
70 Board Secretary

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72 Approved: \_\_\_\_\_  
73 Board Member