



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Jefferson County Public
Transportation Benefit Area
(Jefferson Transit Authority)

For the period January 1, 2015 through December 31, 2016

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Office of the Washington State Auditor
Pat McCarthy

August 3, 2017

Board of Commissioners
Jefferson Transit Authority
Port Townsend, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Transit Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Transit Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, Transit Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Transit Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the Jefferson Transit Authority from January 1, 2015 through December 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Transit Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting
- Procurement (bidding/prevaling wage)
- Payroll/personnel
- Self-insurance/risk management

RELATED REPORTS

Financial

Our opinion on the Transit Authority's financial statements is provided in a separate report, which includes the Transit Authority's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE TRANSIT AUTHORITY

The Jefferson County Public Transportation Benefit Area, doing business as Jefferson Transit Authority, is a public transit system that began service in May 1981. The Transit Authority provides fixed route bus service along routes throughout Jefferson County including the west end of the county and the city of Port Townsend. In addition, the Transit Authority provides the dial-a-ride program, for customers who are unable to use conventional bus route service, demand response service, and ride sharing in Jefferson County. For the past eight years, the Transit Authority has offered bus service around the Olympic Peninsula loop.

A five-member Board of Commissioners governs the Transit Authority. The Board consists of two City Council Members from the City of Port Townsend and three Jefferson County Commissioners. The Board appoints a General Manager to oversee the Transit Authority's daily operations as well as its 42 employees. The Transit Authority is primarily supported through passenger and other transit charges, sales tax revenue and various local, state and federal contributions and grant programs. For fiscal years 2016 and 2015, the Transit Authority had operating expenses of approximately \$4.5 million.

Contact information related to this report

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|------------|----------------------------------------------------------------------------------|
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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Jefferson Transit Authority at <http://portal.sao.wa.gov/ReportSearch>.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

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