



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

## **Accountability Audit Report**

# **Washington Tree Fruit Research Commission**

**For the period July 1, 2017 through June 30, 2019**

**Published (Inserted by OS)**

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

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Board of Commissioners  
Washington Tree Fruit Research Commission  
Wenatchee, Washington

### **Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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 Commission operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the Commission's compliance with applicable requirements and safeguarding of public resources for the 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 RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Commission operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of the Washington Tree Fruit Research Commission from July 1, 2017 through June 30, 2019.

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 obtaining evidence about the Commission's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended June 30, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements, travel expenditures and credit card activity
- Cash receipting and adjustments
- Selected IT security policies, procedures, practices, and controls protecting financial systems, IT systems, and data

## RELATED REPORTS

### Financial

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

That report includes a finding for a significant deficiency in internal controls over financial reporting regarding not having adequate internal controls in place to ensure accurate and complete financial reporting.

## INFORMATION ABOUT THE COMMISSION

The Washington Tree Fruit Research Commission was established in 1969 by state law to promote relevant research in an effort to advance knowledge, improve practices and address problems facing the tree fruit industry. In coordination with other state, federal and private agencies, the Commission conducts research on every aspect of tree fruit production, from rootstock development to improved post-harvest practices. It is funded primarily by assessments on tree fruit growers.

The Commission is governed by a nine-member Board of Commissioners consisting of five members appointed by the Washington Apple Commission, three appointed by the Washington State Fruit Commission and one representative of the Washington State Department of Agriculture. The Commission operated on about \$5 million and \$5.3 million in revenues for fiscal years 2018 and 2019, respectively.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Washington Tree Fruit Research Commission 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.

Contact information for the State Auditor’s Office	
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