



Office of the Washington State Auditor  
Pat McCarthy

## Accountability Audit Report

# Yakima Regional Clean Air Agency

For the period July 1, 2022 through June 30, 2024

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

March 27, 2025

Board of Directors  
Yakima Regional Clean Air Agency  
Yakima, 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 Agency 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 Agency'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 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 most of the areas we examined, Agency operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we identified areas where the Agency could make improvements. These recommendations are included with our report as a finding.

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 Yakima Regional Clean Air Agency from July 1, 2022 through June 30, 2024.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Agency'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, 2024 and 2023, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Annual report filing – timeliness and completeness
- Payroll – gross pay and electronic fund transfers
- Accounts payable – general disbursements and credit cards
- Cash receipting – timeliness and completeness of deposits
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### Yakima Regional Clean Air Agency July 1, 2022 through June 30, 2024

**2024-001 The Agency lacked adequate internal controls over financial reporting to ensure compliance with state law requiring timely annual report submissions.**

#### *Background*

A five-member Board governs the Yakima Regional Clean Air Agency. An Executive Director oversees daily operations. The Agency operated on total revenues of \$1,844,464 and \$1,018,086 in fiscal years 2023 and 2024, respectively.

Federal and state agencies, the Board of Directors and the public rely on the information included in financial statements and reports to make decisions. The Agency is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance its financial reporting is reliable.

State law (RCW 43.09.230) requires the Agency to submit an annual report with accurate, summarized financial information and supporting schedules to the State Auditor's Office within 150 days after the end of its fiscal year.

#### *Description of Condition*

The Agency did not submit the required annual reports to our Office within 150 days of fiscal year-end. The Agency filed its 2023 annual report 365 days late.

#### *Cause of Condition*

Due to staff turnover, Agency leadership did not dedicate the necessary resources to submit the annual report on time and did not respond to our Office's outreach efforts, which limited their access to support and training.

#### *Effect of Condition*

Delays in the availability of complete financial reports prevent Agency officials, the public and other interested parties from obtaining timely information. Such delays also limit public transparency and our Office's efforts to compile statistical and financial information that the Legislature and other parties use.

## ***Recommendation***

We recommend the Agency establish internal controls to ensure timely and complete financial reporting in accordance with state law.

## ***Agency's Response***

*The Agency fiscal year ends June 30 and its annual financial reporting to the State Auditor's Office is due by, and typically occurs shortly before, the end of November. In August 2023 the person serving as staff accountant for the Agency resigned and the position was filled in early November. As a result of the short time period to file and a series of extraordinary events that occurred thereafter, the filing was overlooked. A year later (in October 2024), the person serving as staff accountant resigned just as preparation for filing was to begin and the position was filled in early November. Outside assistance was secured to initiate the filing in November 2024 at which time the missing filing in the prior year was discovered and work began on both years. The problem is being addressed and the Agency does not anticipate the unique circumstances leading to the oversight to recur.*

## ***Auditor's Remarks***

We appreciate the steps the Agency is taking to resolve this issue. We will review the conditions during our next audit.

## ***Applicable Laws and Regulations***

RCW 43.09.230, Local government accounting – Annual reports – Comparative statistics.

## RELATED REPORTS

### Other reports

We issued a report on agreed-upon procedures performed at the Agency. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

## INFORMATION ABOUT THE AGENCY

The Yakima Regional Clean Air Authority was established in 1967 to ensure compliance with federal, state and local rules, as well as, programs designed to protect public health and safety from air pollution. The Agency legally changed its name to the Yakima Regional Clean Air Agency, effective September 1, 2008.

A five-member Board of Directors governs the Agency. The Board consists of two appointed representatives from the Yakima County Commissioners, one representative each from a large and small city (usually a mayor) and one at-large member selected by the rest of the Board. The Board appoints an Executive Director to oversee the Agency's daily operations, as well as its 10 employees. The annual operating budget can vary significantly from year to year depending on the needs of the membership. The Agency operated on total revenues of \$1,844,464 and \$1,018,086 for 2023 and 2024, 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 Yakima Regional Clean Air Agency at <https://portal.sao.wa.gov//ReportSearch>.



## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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