

Washington State Auditor's Office
Accountability Audit Report

**Washington Tree Fruit Research
Commission**

Audit Period
July 1, 2009 through June 30, 2012

Report No. 1009197

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February 25, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

February 25, 2013

Mr. Jim McFerson, Director
Washington Tree Fruit Research Commission

Report on Accountability

We appreciate the opportunity to work in cooperation with your Commission to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the Washington Tree Fruit Research Commission's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

TROY KELLEY
STATE AUDITOR

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Audit Summary

State of Washington Washington Tree Fruit Research Commission

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the Washington Tree Fruit Research Commission from July 1, 2009 through June 30, 2012.

We evaluated internal controls and performed audit procedures on the activities of the Commission. We also determined whether the Commission complied with state laws and regulations and its own policies and procedures.

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 noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Disbursements – including credit cards and fuel cards
- Open public meetings
- Competitive bidding

RESULTS

In the areas we examined, the Commission's internal controls were adequate to safeguard public assets. The Commission also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Related Reports

State of Washington Washington Tree Fruit Research Commission

FINANCIAL

Our opinion on the Commission's financial statements is provided in a separate report, which includes the Commission's financial statements.

PERFORMANCE AUDITS

Initiative 900, approved by voters in 2005, gives the State Auditor's Office the authority to conduct independent performance audits of state and local government entities. Performance audits may include objective analysis on ways to improve program performance and operations, reduce costs and identify best practices.

We issued the *Opportunities to Reduce State Cell Phone Costs* performance audit report in November 2011. That report is available on our website, www.sao.wa.gov.

Description of the Commission

State of Washington Washington Tree Fruit Research Commission

ABOUT THE COMMISSION

The Washington Tree Fruit Research Commission was established by the Legislature in 1969 to “promote and carry on research and administer specific industry service programs . . . which will or may benefit the planting, production, harvesting, handling, processing or shipment of tree fruit of this state” The Commission coordinates with other state, federal and private agencies conducting similar research.

The Commission conducts research on every aspect of tree fruit production, from rootstock development to improved post-harvest practices, all in an effort to advance knowledge, improve practices and address the problems facing the industry. Revenue comes from assessments on tree fruit growers. During fiscal years 2010, 2011 and 2012, the Commission spent approximately \$3.7 million, \$4.3 million and \$4.4 million, respectively.

The Commission contracts with the Washington State Fruit Commission for financial services, including issuance of payroll, payments and preparation of annual financial statements. Located in Wenatchee, the Commission has approximately nine full-time employees and hires part-time seasonal employees on a yearly basis. The Commission is governed by a nine-member Board of Commissioners. Five of the Commissioners are appointed by the Washington Apple Commission, three are appointed by the Washington State Fruit Commission and one is appointed by the Washington State Department of Agriculture Director.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

James Doornink
Tom Butler
Dan Flick
Harold Schell
Brent Milne
Dennis Hayden (through 2010)
Rob Lynch
Dena Ybarra (effective 2011)
Jake Gutzwiler
Jim Koempel
Jim McFerson
JoAnne Daniels

Manager
Controller

COMMISSION CONTACT INFORMATION

Address: Washington Tree Fruit Research Commission
1719 Springwater Avenue
Wenatchee, WA 98801

Phone: Research Center: (509) 665-8271
Financial Services: (509) 453-4837 ext. 211

Website: www.treefruitresearch.com

AUDIT HISTORY

We typically audit the Commission every two years. An exception was made for fiscal years 2003 through 2005, for which our audit covered a three-year period. Beginning with years 2006-2007, we resumed the two-year audit cycle. The audit was changed to three-year period again for the current audit to help reduce audit costs. The past five audits of the Commission have been free of findings.



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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

State Auditor
Chief of Staff
Director of State and Local Audit
Director of Performance Audit
Deputy Director of State and Local Audit
Deputy Director of State and Local Audit
Deputy Director of Quality Assurance
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

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