

Wahkiakum County Treasurer's Office

Internal Controls and Fraud Prevention Policy

Effective Date: 11/1/2025

Approved By: Wahkiakum County Treasurer

Reviewed: Annually

1. Purpose

The purpose of this policy is to establish robust internal controls and fraud prevention measures for the Wahkiakum County Treasurer's Office. These controls protect County assets, ensure the accuracy and reliability of financial reporting, and promote compliance with RCW 36.29, RCW 42.24, and other applicable laws.

2. Scope

This policy applies to all employees, officers, and volunteers handling cash, investments, property tax collections, banking activities, or any financial transaction on behalf of Wahkiakum County.

3. Policy Statement

The Treasurer's Office is committed to:

- Maintaining a system of internal controls that reduces the risk of error, misstatement, or fraud.
- Detecting and preventing fraud, theft, and misappropriation of County funds.
- Promoting ethical behavior and compliance with laws, policies, and professional standards.

4. Internal Control Principles

Internal controls shall be designed around the following key principles:

1. Segregation of Duties – No single employee should control all aspects of a financial transaction, including authorization, recording, and custody.
2. Authorization and Approval – All disbursements, transfers, and write-offs must be approved by designated personnel according to the Treasurer's Office delegation of authority.

3. Documentation and Recordkeeping – Adequate documentation must be maintained to support every financial transaction.
4. Reconciliation – All accounts shall be reconciled regularly, including bank statements, cash receipts, investments, and ledgers.
5. Physical Controls – Cash, checks, securities, and other assets must be stored securely with access restricted to authorized personnel.
6. Monitoring and Review – Management must periodically review financial reports, reconciliations, and operational procedures to detect errors or irregularities.

5. Fraud Prevention

1. Awareness and Training – Staff shall be trained to recognize and report signs of fraud or suspicious activity.
2. Reporting Mechanisms – Employees, vendors, and the public may report suspected fraud confidentially through the Treasurer’s Office, County Auditor, or State Auditor’s Office Hotline.
3. Investigation – All allegations of fraud will be investigated promptly, confidentially, and fairly.
4. Corrective Actions – Confirmed incidents of fraud will result in disciplinary action, restitution, and possible criminal prosecution.

6. Risk Assessment

The Treasurer’s Office shall perform periodic risk assessments to identify vulnerable areas, such as cash handling and collections, investment transactions, vendor payments and disbursements, and electronic fund transfers. Based on the assessment, controls will be strengthened, and additional monitoring applied where necessary.

7. Whistleblower Protection

Employees who report suspected fraud or violations of law in good faith shall be protected from retaliation under RCW 42.40.050 and County policies.

8. Roles and Responsibilities

- Treasurer: Maintains ultimate responsibility for the internal control system, fraud prevention, and monitoring.
- Deputy Treasurer / Finance Staff: Implement and maintain controls, prepare reconciliations, and ensure proper documentation.
- County Auditor: Performs independent audits, reviews internal controls, and reports findings to the County Board and Treasurer.

9. Monitoring and Policy Review

1. Internal controls and fraud prevention measures shall be reviewed at least annually.
2. Policy updates are required to reflect changes in laws, regulations, or operational processes.
3. Results of audits, reconciliations, and risk assessments shall be reported to the Treasurer and County Auditor.

Wahkiakum County Treasurer's Office



Tammy Peterson, Wahkiakum County Treasurer

Date: 10/21/25