

State of Washington  
 Status of Audit Resolution  
 December 2019

Department of Natural Resources

Agency 490

Audit Report	Finding Number	Finding and Corrective Action Status	
1024321	2018-001	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department did not adequately monitor its contract with Clark County related to operations at the Livingston Quarry.</p> <p>The Department concurs with the finding.</p> <p>In July 2017, the Department became aware of an inadequate system of internal controls in the operations of the Livingston Quarry. In January 2019, the Department issued a stop work order to Clark County (County), and has since been working with the County and the operator to address the internal control deficiencies and other contract violations.</p> <p>As of August 2019, the Department:</p> <ul style="list-style-type: none"> <li>• Increased funding to establish a full-time Mining Program Manager position.</li> <li>• Assigned the Mining Program Manager as the Contract Administrator, with assistance from the region engineer to provide on-site contract administration.</li> <li>• Negotiated a revised Plan of Operations with the County to ensure it operates in compliance with contract terms and provisions.</li> <li>• Lifted the stop work order and resumed quarry operations.</li> </ul> <p>Additionally, the Department has strengthened contract monitoring procedures related to the quarry operations, which include:</p> <ul style="list-style-type: none"> <li>• Routinely comparing load tickets to invoices from the County during the processing and hauling of state rock.</li> <li>• Reconciling scale tickets against the County’s monthly production reports.</li> <li>• Performing regular site visits to prevent unauthorized mining activities on state land.</li> </ul> <p>August 2019, subject to audit follow-up</p> <p>Charles Malone            Risk and Legal Affairs Manager            PO Box 47041            Olympia WA 98504-7041            (360) 902-1264  <a href="mailto:Charles.Malone@dnr.wa.gov">Charles.Malone@dnr.wa.gov</a></p>