

Washington State Auditor's Office

Accountability Audit Report

City of Bonney Lake Pierce County

Report Date
March 31, 2014

Report No. 1011590

Issue Date
April 7, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

April 7, 2014

Mayor and City Council
City of Bonney Lake
Bonney Lake, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your City 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 City of Bonney Lake'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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Pierce County
March 31, 2014**

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Audit Summary

**City of Bonney Lake
Pierce County
March 31, 2014**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Bonney Lake from January 1, 2012 through December 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the City. We also determined whether the City 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:

- Financial condition
- Billings/receivables
- Cash receipting
- Open public meeting minutes
- Payments/expenditures
- Payroll
- Inter-fund transactions
- Procurement (bidding)

RESULTS

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

Related Reports

**City of Bonney Lake
Pierce County
March 31, 2014**

FINANCIAL

Our opinion on the City's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the City's financial statements. That report includes a finding for a material weakness in internal controls over financial reporting.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the City's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

Description of the City

City of Bonney Lake Pierce County March 31, 2014

ABOUT THE CITY

The City of Bonney Lake, incorporated in 1949, serves approximately 17,500 citizens in Pierce County. The City provides a range of services, including police protection, public works, utilities, street maintenance, planning and permits, senior services, parks and recreation services as well as a Municipal Court. The City contracts with other public and private entities for garbage, wastewater treatment, jail, emergency dispatch and animal control services.

An elected, Mayor and seven-member City Council governs the City. The Council appoints management to oversee the City's daily operations as well as its 159 employees. For the 2011-2012 biennium, the City operated on a budget of approximately \$86 million.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Neil Johnson
Dan Swatman
Randy McKibbin
Mark Hamilton
James Rackley
Tom Watson
Donn Lewis
Katrina Minton-Davis

APPOINTED OFFICIALS

City Administrator
Administrative Services Clerk/City
Clerk
Director of Public Works
Police Chief
Community Services Director
Court Administrator
Director of Planning and Community
Development
Chief Financial Officer
City Attorney

Don Morrison

Harwood (Woody) Edvalson
Daniel Grigsby
Dana Powers
Gary Leaf
Kathy Seymour

John Vodopich
Al Juarez
Dionne & Rorick L.L.P.

CITY CONTACT INFORMATION

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Website: www.ci.bonney-lake.wa.us

AUDIT HISTORY

We audit the City annually. We reported one financial statement finding for the City in each of the 2007 and 2008 audits regarding inadequate controls to ensure accurate accounting and financial reporting. The finding was not resolved during our 2009 or 2010 audits. The finding was considered resolved for 2011 when the City presented cash basis financial statements. We again reported a financial statement finding for the 2012 audit regarding inadequate controls to ensure accurate accounting and financial reporting.



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 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
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Director of Local Audit
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Deputy Director of Local Audit
Deputy Director of Performance Audit
Deputy Director of Quality Assurance
Deputy Director of Communications
Local Government Liaison
Public Records Officer
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