

Washington State Auditor's Office
Accountability Audit Report

City of Kelso
Cowlitz County

Report Date
June 26, 2014

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Issue Date
July 21, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

July 21, 2014

Mayor and City Council
City of Kelso
Kelso, 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 Kelso'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

<h1>Table of Contents</h1>

**City of Kelso
Cowlitz County
June 26, 2014**

Audit Summary	1
Related Reports	2
Description of the City	3

Audit Summary

**City of Kelso
Cowlitz County
June 26, 2014**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Kelso from January 1, 2013 through December 31, 2013.

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:

- Building permits
- Utility billings/receivables
- Contracts/agreements
- Financial condition
- Highlander festival
- Payroll/personnel
- Payments/expenditures
- Use of restricted funds
- Open public meeting minutes
- Procurement (bidding/prevaling wage)

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 Kelso
Cowlitz County
June 26, 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.

FEDERAL GRANT PROGRAMS

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

Description of the City

**City of Kelso
Cowlitz County
June 26, 2014**

ABOUT THE CITY

The City of Kelso serves approximately 11,940 citizens. The City provides services including police, streets, sanitation, recreation, library, public improvements, planning and zoning, water supply treatment and distribution, and sewage and stormwater collection and treatment.

An elected, seven-member Council governs the City. The Council selects a Mayor from among its members to serve a two-year term. The Council appoints a Manager to oversee the City's day-to-day operations as well as its 70 employees. For fiscal year 2013, the City operated on an annual budget of approximately \$33 million.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor and City Council:

David Futchter, Mayor
Kim Lefebvre
Gary Archer
Todd McDaniel
Rick Roberson
Dan Meyers
Gary Schimmel

APPOINTED OFFICIALS

City Manager
Finance Director
Director of Public Works
Manager of Community Development
Community Development Director
Chief of Police

Stephen Taylor
Brian Butterfield, CPA
David Sypher
Nancy Malone (through June 2013)
Mikel Kardas (effective July 2013)
Andrew Hamilton

CITY CONTACT INFORMATION

Address: City of Kelso
P.O. Box 819
Kelso, WA 98626

Phone: (360) 577-3340

Website: www.kelso.gov

AUDIT HISTORY

We audit the City annually. The City has been free of findings for the past five years.



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.

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