

# **Washington State Auditor's Office**

## **Accountability Audit Report**

---

### **City of Edmonds Snohomish County**

Report Date  
**June 27, 2014**

**Report No. 1012252**

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 Edmonds  
Edmonds, 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 Edmonds' 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 Edmonds  
Snohomish County  
June 27, 2014**

Audit Summary .....	1
Related Reports .....	2
Description of the City .....	3

# Audit Summary

## City of Edmonds Snohomish County June 27, 2014

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the City of Edmonds 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:

- Utility billing
- Fuel monitoring
- Parks cash receipting

### ***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 Edmonds  
Snohomish County  
June 27, 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 Edmonds Snohomish County June 27, 2014

#### ***ABOUT THE CITY***

The City of Edmonds, incorporated in 1890, is the third largest city in Snohomish County with an estimated population of 39,950 citizens. Located 15 miles north of Seattle, the City encompasses approximately nine square miles. The City provides services including administration, police, Municipal Court, streets, parks and recreation, facilities, cultural arts, cemetery, planning and community development, water, wastewater collection and treatment plant management.

An elected, seven-member Council governs the City with a separately elected Mayor. The Council appoints management to oversee the City's daily operations as well as its 268 employees. For fiscal year 2013, the City operated on an annual budget of approximately \$55.1 million. Primary revenue sources for the City include taxes, grants, charges for services, and fines and forfeitures.

#### ***ELECTED OFFICIALS***

These officials served during the audit period:

Mayor	Dave Earling
City Council:	Kristiana Johnson
	Strom Peterson
	Adrienne Fraley-Monillas
	Diane Buckshnis
	Joan Bloom
	Frank Yamamoto
	Lora Petso
Judge	Doug Fair

Note: Thomas Mesaros replaced Frank Yamamoto in April 2014.

## ***APPOINTED OFFICIALS***

Finance Director	Shawn Hunstock (through February 2013) Ron Cone (February 2013 through June 2013) Roger Neumaier (June 2013 through January 2014)
Community Services Director	Stephen Clifton
Acting Development Services Director	Rob Chave
Economic Development Director	Stephen Clifton
Acting Human Services Director	Carrie Hite
Parks & Recreation Director	Carrie Hite
Municipal Court Judge	Douglas Fair
Police Chief	Al Compaan
Public Works Director	Phil Williams

Note: Scott James replaced Roger Neumaier in March 2014

## ***CITY CONTACT INFORMATION***

Address:	City of Edmonds 121 Fifth Avenue N. Edmonds, WA 98020
Phone:	(425) 775-7743
Website:	<a href="http://www.edmondswa.gov">www.edmondswa.gov</a>

## ***AUDIT HISTORY***

We audit the City annually. The past five audits of the City reported one area of concern. The 2010 audit reported a finding regarding a lack of adequate oversight over the financial operations to safeguard public resources. This finding has been resolved.



## **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**  
**Chief of Staff**  
**Director of Performance and State Audit**  
**Director of Local Audit**  
**Deputy Director of State Audit**  
**Deputy Director of Local Audit**  
**Deputy Director of Local Audit**  
**Deputy Director of Performance Audit**  
**Deputy Director of Quality Assurance**  
**Deputy Director of Communications**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Troy Kelley**  
**Doug Cochran**  
**Chuck Pfeil, CPA**  
**Kelly Collins, CPA**  
**Jan M. Jutte, CPA, CGFM**  
**Sadie Armijo**  
**Mark Rapozo, CPA**  
**Lou Adams, CPA**  
**Barb Hinton**  
**Thomas Shapley**  
**Mary Leider**  
**(360) 902-0370**  
**(866) 902-3900**

**Website**  
**Subscription Service**

**[www.sao.wa.gov](http://www.sao.wa.gov)**  
**[portal.sao.wa.gov/saoportal/Login.aspx](http://portal.sao.wa.gov/saoportal/Login.aspx)**