

Washington State Auditor's Office
Accountability Audit Report

City of Edmonds
Snohomish County

Report Date
June 27, 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 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

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Snohomish County
June 27, 2014**

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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:	www.edmondswa.gov

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
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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
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