

Washington State Auditor's Office

Accountability Audit Report

City of South Bend Pacific County

Report Date
July 21, 2014

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Issue Date
July 28, 2014



**Washington State Auditor
Troy Kelley**

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

July 28, 2014

Mayor and City Council
City of South Bend
South Bend, 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 South Bend'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

Table of Contents

**City of South Bend
Pacific County
July 21, 2014**

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

Audit Summary

City of South Bend Pacific County July 21, 2014

ABOUT THE AUDIT

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

- Open public meetings
- Key system controls
- Citizen concern
- Police Department
- Procurement – public works
- Financial condition
- Disbursements

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 South Bend
Pacific County
July 21, 2014**

FINANCIAL

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

OTHER REPORTS

During the current audit period, the State Auditor's Office issued a report in January 2013 on a misappropriation of public funds at the City. That report is available on our website, www.sao.wa.gov.

Description of the City

City of South Bend Pacific County July 21, 2014

ABOUT THE CITY

The City of South Bend serves 1,635 citizens in Pacific County. The City provides services including police, parks and recreation, planning and economic development, street maintenance, sewer services and construction, Municipal Court, water services and stormwater management. It also operates its own small commercial moorage and large recreational docks.

An elected, five-member Council and an independently elected Mayor govern the City. The Council appoints management to oversee the City's daily operations as well as its 14 employees. For fiscal year 2013, the City operated on a budget of approximately \$2.5 million.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Kirk Church
Lisa Olsen
Dori Patrick (resigned October 2013)
Cheryl Seals
Karla Webber
Robert Hall
Clarence Williams (appointed
December 2013)

APPOINTED OFFICIALS

Clerk-Treasurer
City Supervisor
Police Chief

Dee Roberts
Dale Little
David Eastham

CITY CONTACT INFORMATION

Address: City of South Bend
P.O. Box 9
South Bend, WA 98586

Phone: (360) 875-5571

Website: www.southbend-wa.gov

AUDIT HISTORY

We audit the City annually. The 2011 audit reported a finding for lack of adequate controls over Municipal Court activity. This finding has been resolved. Our audits of fiscal years 2008 through 2010, 2012 and the current audit are free of accountability findings.



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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Deputy Director of Local Audit
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