

Washington State Auditor's Office

Accountability Audit Report

City of Ocean Shores Grays Harbor County

Report Date
July 23, 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 Ocean Shores
Ocean Shores, 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 Ocean Shores' 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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Grays Harbor County
July 23, 2014**

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Audit Summary

City of Ocean Shores Grays Harbor County July 23, 2014

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Ocean Shores 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
- General revenue and expenses
- Budget compliance – prior audit follow-up
- Key system controls
- Financial condition/interfund loans
- Procurement – public works
- Police Department

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 Ocean Shores
Grays Harbor County
July 23, 2014**

FINANCIAL

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

Description of the City

City of Ocean Shores Grays Harbor County July 23, 2014

ABOUT THE CITY

The City of Ocean Shores, located in Grays Harbor County, was incorporated in 1970. The City provides its 5,815 citizens a wide range of services including public safety, fire prevention, street improvements, parks and recreation and general administration. In addition, the City operates water and sewer systems, a library and an airport.

The City formerly operated under a council-manager form of government with five elected Council Members, one of whom served as the Mayor. In 2008 the City converted to a council-mayor form of government with seven elected Council Members and an independently elected Mayor. The Mayor oversees the City's daily operations as well as its 71 employees. For 2013, the City operated on a \$25.8 million budget.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Crystal Dinger
Jackie Farra
John Schroeder
Dan Overton
John Lynn
Edson Engel
Randy Scott
Ginny Hill

APPOINTED OFFICIALS

Finance Director

Steve Ensley

CITY CONTACT INFORMATION

Address: City of Ocean Shores
P.O. Box 909
Ocean Shores, WA 98569

Phone: (360) 289-2488

Website: www.osgov.com

AUDIT HISTORY

We audit the City annually. The 2010 and 2011 audits reported findings for the City's financial condition. These findings have been resolved. The 2008, 2009, 2012 and current audit were 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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