Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

City of Spokane Valley

Spokane County

For the period January 1, 2013 through December 31, 2013

Published November 20, 2014

Report No. 1013003

Washington State Auditor
Troy Kelley

November 20, 2014

Mayor and City Council
City of Spokane Valley
Spokane Valley, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the City's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Troy X. Kelley

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STATE AUDITOR

TABLE OF CONTENTS

Audit Summary 4

Related Reports 5

Information About The City 6

About The State Auditor's Office 7

AUDIT SUMMARY

Results in brief

In the areas we audited, City operations complied with applicable requirements and provided adequate safeguarding of public resources. The City also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

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

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the City's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Financial condition
- Payroll/personnel
- Use of restricted funds
- Safeguarding of small and attractive assets such as computers
- Insurance/risk management
- Compliance with grant requirements
- Parks and Recreation Department financial operations
- Contracts/agreements

RELATED REPORTS

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.

INFORMATION ABOUT THE CITY

The City of Spokane Valley was incorporated on March 31, 2003, and currently serves approximately 92,000 Spokane County residents. It provides an array of services including building inspection, street improvement and maintenance, parks and recreation, stormwater management and general administrative services. The City also owns and operates CenterPlace, an event facility, 11 parks and three pools. For many of its services, the City contracts with Spokane County including law enforcement, prosecution, public defense, District Court, emergency management and animal control.

An elected, seven-member Council governs the City. The Council appoints one member to serve as Mayor and another to serve as Deputy Mayor. In addition, the Council appoints a City Manager to oversee the City's daily operations as well as its 90 employees. For fiscal year 2013, the City operated on an annual budget of approximately $67.1 million.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Spokane Valley at http://portal.sao.wa.gov/ReportSearch.

We audit the City on an annual basis. The City has been free of accountability findings since its inception in 2003.

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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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