



# Washington State Auditor's Office

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## Accountability Audit Report

# Housing Authority of the City of Kelso

Cowlitz County

For the period April 1, 2014 through March 31, 2016

Published December 5, 2016

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## Washington State Auditor's Office

December 5, 2016

Board of Commissioners  
Housing Authority of the City of Kelso  
Kelso, 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 Housing Authority 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 Housing Authority'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,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, Housing Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Housing Authority 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 Housing Authority of the City of Kelso from April 1, 2014 through March 31, 2016.

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 Housing Authority'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:

- Cash receipting
- Self-insurance – unemployment
- Procurement (bidding of public works projects)
- Payroll
- General disbursements
- Financial condition
- Open public meeting minutes

## RELATED REPORTS

### **Financial**

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available from Housing Authority of the City of Kelso.

### **Federal grant programs**

A firm of certified public accountants evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority's major federal programs. That firm's report is available from Housing Authority of the City of Kelso.

## INFORMATION ABOUT THE HOUSING AUTHORITY

A five-member Board of Commissioners appointed by the Kelso City Council governs the Housing Authority of the City of Kelso. The Board of Commissioners has delegated responsibility for day-to-day operations to an Executive Director.

The Housing Authority owns and manages four housing projects totaling 166 units and manages several grant programs funded by the U.S. Department of Housing and Urban Development. The Housing Authority had operating expenses of \$2.5 million and \$2.8 million for fiscal years 2015 and 2016, respectively.

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 Housing Authority of the City of Kelso at <http://portal.sao.wa.gov/ReportSearch>.

## 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.

Contact information for the State Auditor's Office	
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