



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

City of Yakima

Yakima County

For the period January 1, 2016 through December 31, 2016

Published December 11, 2017

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Office of the Washington State Auditor
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December 11, 2017

Mayor and City Council
City of Yakima
Yakima, 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,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT SUMMARY

Results in brief

In most 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 most areas we examined.

However, we noted certain matters that we communicated to City management in a letter dated December 1, 2017, related to interfund loans. We appreciate the City's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the City of Yakima from January 1, 2016 through December 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 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:

- Payroll – overtime and retirement payouts
- Procurement and bid requirements
- Travel and credit cards use
- Third party cash receipting
- Fire department fuel use
- Financial condition
- Utility billings
- Interfund transfers and loans
- Cash receipting – Vanpool, Lion and Franklin Park swimming pools
- Safeguarding of small and attractive assets
- Open Public Meetings Act
- Interlocal agreement with Yakima County for jury services

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. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding the major fund calculation.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the City's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE CITY

The City of Yakima serves approximately 92,000 citizens in Yakima County. It operates as a first class city under the council-manager form of government. The City Council consists of seven Council Members, four of whom are elected from separate districts, and three elected at large. The Council, from within its own membership, chooses the Mayor every two years.

The City provides a full range of municipal services. These services include public safety (police, fire, Municipal Court), public improvements (streets, traffic signals, storm sewer), sanitation (solid waste disposal, sewer utility), water utility, community development, parks, recreation, code enforcement and general administrative services. The City has approximately 770 employees. For fiscal year 2016, the City operated on a total budget of expenditures of approximately \$223 million.

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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 Yakima 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.

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