



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

City of Pasco

Franklin County

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

Published February 20, 2018

Report No. 1020804





Office of the Washington State Auditor
Pat McCarthy

February 20, 2018

Mayor and City Council
City of Pasco
Pasco, 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

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 Pasco 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:

- Sale of land
- Payroll – new hires and employees with large increases
- Credit Cards – policy, procedures, and allowable purchases
- Compliance with third party cash receipting contract with Paymentus
- Cash receipting for the utility department
- Municipal court system review
- Municipal court non-cash adjustments
- Municipal court receipting
- General disbursements and review of new vendors
- Building permits – billing and allowable use of revenues

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>.

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 Pasco, incorporated in 1891, currently serves approximately 54,500 Franklin County citizens. The City provides services including police, fire, Municipal Court, emergency response, parks and recreation, a senior center, a golf course, public works, and planning and economic development. The City also operates a cemetery, a water system, sewer system and an irrigation system.

An elected, seven-member Council governs the City. The Council selects one of its members to serve as Mayor. The Council also appoints management to oversee the City's daily operations as well as its approximate 296 employees. The City had approximately \$63 million in expenditures for 2016.

Contact information related to this report	
Address:	City of Pasco 525 N. 3rd P.O. Box 293 Pasco, WA 99301
Contact:	Richa Sigdel, Finance Director
Telephone:	(509) 545-3488
Website:	www.pasco-wa.gov

Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Pasco 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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov