



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

City of Waitsburg

Walla Walla County

For the period January 1, 2014 through December 31, 2016

Published January 29, 2018

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Office of the Washington State Auditor
Pat McCarthy

January 29, 2018

Mayor and City Council
City of Waitsburg
Waitsburg, 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 January 19, 2018, related to cost allocations to restricted funds. 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 Waitsburg from January 1, 2014 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:

- Financial condition
- Payroll payments for employees with high increases
- Procurement for architecture and engineering contracts
- Procurement for the Main Street public works project
- Cash receipting at City Hall and through online system
- Valid vendors and general disbursements
- Compliance with third party receipting requirements for the online payment system
- Compliance with cost allocation plan for inter-fund charges
- Unemployment self-insurance
- Accounting system conversion process and access levels
- Billing rate changes and billing process

INFORMATION ABOUT THE CITY

The City of Waitsburg, located in Walla Walla County, was incorporated in 1865 and currently serves 1,200 citizens.

It operates under a council-mayor form of government with a five-member Council and Mayor. The City has six full-time employees who provide services including fire prevention, parks and recreation, street maintenance and repair, water and sewer utilities, a cemetery, fairgrounds and a library along with other administrative functions. For fiscal years 2014, 2015 and 2016, the City's annual revenues for all funds were approximately \$2.7 million, \$1.4 million and \$1.5 million for each year, respectively.

Contact information related to this report	
Address:	City of Waitsburg P.O. Box 35 Waitsburg, WA 99361-0035
Contact:	Randy Hinchliffe, Clerk-Treasurer
Telephone:	(509) 337-6371
Website:	www.cityofwaitsburg.com

Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Waitsburg 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