



**Office of the Washington State Auditor**  
**Pat McCarthy**

# **Accountability Audit Report**

## **City of Quincy**

**For the period January 1, 2018 through December 31, 2018**

**Published October 31, 2019**

**Report No. 1024900**





**Office of the Washington State Auditor  
Pat McCarthy**

October 31, 2019

Mayor and City Council  
City of Quincy  
Quincy, 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 independent audit report on the City's compliance with applicable requirements and safeguarding of public resources for the 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 RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, City operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

### About the audit

This report contains the results of our independent accountability audit of the City of Quincy from January 1, 2018 through December 31, 2018.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. 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, based on our risk assessment for the year ended December 31, 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Self-insurance – unemployment compensation
- Cash receipting – animal shelter
- Procurement – change orders, emergency declarations and land acquisition
- Accounts payable and credit card activity
- Cost allocation – internal service fund billings and allocations of City Hall and Public Safety Facility project expenses

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### City of Quincy January 1, 2018 through December 31, 2018

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> January 1, 2017 through December 31, 2017	<b>Report Ref. No.:</b> 1022620	<b>Finding Ref. No.:</b> 2017-001
<b>Finding Caption:</b> The City had inadequate controls over cash receipting at its animal shelter.		
<b>Background:</b> The City's controls over cash receipting at the Quincy Animal Shelter were not sufficient to protect resources from misappropriation. We tested all receipts from January 1, 2017, through June 30, 2018, and reviewed internal controls over cash receipts at the animal shelter. We identified the following deficiencies: <ul style="list-style-type: none"> <li>• City management did not monitor animal shelter operations to confirm all deposits were complete, supported and consistent with animal activity records.</li> <li>• Existing rate schedules did not identify fees for types of animals other than dogs and cats.</li> <li>• The City did not have policies, procedures or rate schedules to address the handling of temporary boarding or fostering of animals, nor did policies address overcrowding at the shelter.</li> </ul> <p>The former Quincy Animal Shelter Manager waived fees without authority from City management.</p>		
<b>Status of Corrective Action: (check one)</b>		
<input checked="" type="checkbox"/> Fully Corrected	<input type="checkbox"/> Partially Corrected	<input type="checkbox"/> Finding is considered no longer valid
<input type="checkbox"/> Not Corrected		

***Corrective Action Taken:***

- *The City passed a Rate Resolution on October 2, 2018, Resolution 18-456, stating that the Police Chief or Captain may reduce the cost to 50% if there is overcrowding or a specific animal has been there for more than four (4) months. Only dogs and cats will be accepted and adopted out.*
- *The City passed a Resolution on July 2, 2019, Resolution 19-473, adopting the City of Quincy Animal Shelter Policy. The policy provides consistent expectations for every employee.*
- *Finance staff will periodically select a dog or cat randomly and have Animal Shelter staff show intake through the process to adoption or transfer.*
- *The Chief felt it was in the best interest of the City to terminate the Animal Shelter Manager.*

## RELATED REPORTS

### **Financial**

Our opinion on the City's financial statements 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>.

## INFORMATION ABOUT THE CITY

The City of Quincy serves approximately 7,000 citizens in Grant County. The City provides an array of services including streets, water, sewer, police protection, parks and recreation.

An elected, seven-member Council and an independently elected Mayor govern the City. The Council appoints management to oversee the City's daily operations as well as approximately 60 employees. For fiscal year 2018, the City had operating revenues of approximately \$27.2 million.

### Contact information related to this report

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Contact:	Nancy E Schanze, Finance Officer/Clerk
Telephone:	509.787.3523, ext 205
Website:	quincywashington.us

*Information current as of report publish date.*

### Audit history

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

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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