



Office of the Washington State Auditor

Pat McCarthy

Accountability Audit Report

Housing Authority of the City of Seattle

(Seattle Housing Authority)

For the period January 1, 2019 through December 31, 2019

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

January 21, 2021

Board of Commissioners
Seattle Housing Authority
Seattle, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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.

Attached is our independent audit report on the Housing Authority'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

Results in brief

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

The Housing Authority reported a matter to us on October 4, 2019 that is currently under investigation.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the Housing Authority of the City of Seattle from January 1, 2019 through December 31, 2019.

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 obtaining evidence about the Housing Authority's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Financial condition and fiscal sustainability
- Self-insurance of unemployment compensation
- Open public meetings and executive sessions
- Payroll – overtime and additional leave
- Prevailing wages for maintenance contracts

RELATED REPORTS

Financial

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

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 on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the City of Seattle, doing business as Seattle Housing Authority, is the largest housing authority in the Pacific Northwest and within the top 5 percent in the United States. The City of Seattle created the Seattle Housing Authority in 1939. The Housing Authority owns and operates about 5,900 public housing units subsidized by the U.S. Department of Housing and Urban Development and manages approximately 2,800 units in other housing programs. The Housing Authority administers a federal grant program providing rental vouchers for nearly 11,400 households. This provides safe and affordable living environments to approximately 37,000 low-income residents.

The Mayor of Seattle appoints the seven-member Board of Commissioners to staggered, four-year terms. The Board appoints an Executive Director to administer daily operations. The Housing Authority has approximately 600 employees. Funding to cover housing costs and operations consists of federal operating subsidies, grants, rent, miscellaneous fees and investment income. The Authority is redeveloping existing projects. This redevelopment is largely funded by federal grants, state and city funds, and tax credit investments through limited partnerships and bonds. For 2019, the Housing Authority had operating revenues and expenditures of \$291.8 million and \$229.7 million, respectively.

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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 Seattle 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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