



Office of the Washington State Auditor  
Pat McCarthy

## **Accountability Audit Report**

# **Housing Authority of the City of Longview**

**(Housing Opportunities of Southwest  
Washington)**

**For the period October 1, 2017 through September 30, 2019**

*Published June 1, 2021*

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

June 1, 2021

Board of Commissioners  
Housing Opportunities of Southwest Washington  
Longview, 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 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.

However, we noted certain matters related to prevailing wages that we communicated to Housing Authority management and the Board of Commissioners in a letter dated May 18, 2021. We appreciate the Housing Authority's commitment to resolving those matters.

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 Housing Opportunities of Southwest Washington from October 1, 2017 through September 30, 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 Washington 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 years ended September 30, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements, credit cards, electronic funds transfers and employee reimbursements
- Cash receipting – timeliness and completeness of deposits, voids and adjustments
- Tenant leases – compliance with contract terms
- Payroll – gross wages, benefit deductions, and electronic funds transfers

- Compliance with prevailing wage requirements
- Tracking and monitoring of fuel
- Financial condition

## RELATED REPORTS

### Financial

Financial statement audits were performed by firms of certified public accountants. The fiscal year 2018 report is available on our website, <http://portal.sao.wa.gov/ReportSearch>. The fiscal year 2019 report is available from the Housing Opportunities of Southwest Washington.

### Federal grant programs

Firms 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. The fiscal year 2018 report is available on our website, <http://portal.sao.wa.gov/ReportSearch>. The fiscal year 2019 report is available from the Housing Opportunities of Southwest Washington. Those reports include federal findings regarding the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

## INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the City of Longview, now doing business as Housing Opportunities of Southwest Washington, was created in 1976 by the City of Longview's Council to provide housing assistance to people with low incomes. The Housing Authority provides maintenance, improvements, extensions and repairs. It can also purchase or construct new housing facilities. Currently the Housing Authority operates/manages 17 housing projects including subsidized, special needs housing and unsubsidized properties, and administers more than 1,446 housing assistance vouchers. The Housing Authority provides services in Cowlitz, Wahkiakum, Lewis and Pacific Counties.

An appointed, six-member Board of Commissioners governs the Housing Authority. The Mayor of the City of Longview appoints the Board Members to staggered, five-year terms. The Resident Commissioner serves a two-year term. The Board appoints a C.E.O. to oversee the District's day-to-day operations as well as its approximately 50 employees. The Housing Authority operated on a budget of approximately \$13 million for both fiscal years 2018 and 2019

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Housing Opportunities of Southwest Washington at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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