



Office of the Washington State Auditor  
Pat McCarthy

# Accountability Audit Report

## City of Seattle

For the period July 1, 2019 through June 30, 2020

*Published August 23, 2021*

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

August 23, 2021

Mayor and City Council  
City of Seattle  
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 City 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 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 value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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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, City 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 procurement of consultant services that we communicated to City management and the Mayor and City Council in a letter dated August 20, 2021. We appreciate the City'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 the City of Seattle from July 1, 2019 through June 30, 2020.

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 City'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 June 30, 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Payroll – overtime for accuracy and proper authorization
  - Seattle Police Department
  - Seattle Fire Department
  - Seattle City Light
  - Seattle Public Utilities
  - Seattle Department of Transportation

- Credit card purchases for adherence to policy and procedures, proper supporting receipts and approvals
- On-call grounds maintenance contract – contract compliance
- Citizen hotline concern related to golf course fees
- Citizen hotline concern related to payments made for sewer treatment
- Two citizen hotline concerns that the City is making payments to vendors who should not receive City funds because of their purported practices and conduct
- Five citizen hotline concerns related to a contract for consultant services entered into by the City with a non-profit organization

## 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>.

### **Other reports**

The State Auditor's Office issued an examination report on the City's compliance with the state of Washington's Energy Independence Act. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE CITY

The City of Seattle is the largest city in King County and the State, with a population of over 700,000 citizens. The City has a mayor-council form of government with nine elected Council Members, an elected Mayor and an elected City Attorney.

The City's budget for 2020 was approximately \$6.5 billion, including \$1.5 billion for the General Fund. It has over 12,000 employees and provides a full range of services including water, drainage and wastewater, solid waste, electric power, police, Municipal Court, fire, emergency medical, parks and recreation (including four golf courses), planning and economic development, and municipal libraries.

### Contact information related to this report

|            |  |
|------------|--|
| Address:   | City of Seattle<br>700 5th Avenue<br>Suite 4300<br>Seattle, WA 98104 |
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| Website:   | <a href="http://www.seattle.gov">www.seattle.gov</a>                 |

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for 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 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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