



Office of the Washington State Auditor  
Pat McCarthy

# Accountability Audit Report

## City of Tacoma

For the period January 1, 2023 through December 31, 2023

*Published July 28, 2025*

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

July 28, 2025

Mayor and City Council  
City of Tacoma  
Tacoma, 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

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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.

Additionally, we noted certain matters related to payroll that we communicated to City management, the Mayor and City Council in a letter dated July 15, 2025. 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 Tacoma from January 1, 2023 through December 31, 2023.

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 December 31, 2023, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Tacoma Public Utilities and Public Works – payroll gross wages
- Municipal Court – credit cards, payroll gross wages and overtime
- Software conversion – Enterprise Justice
- Tacoma Rail – cash receipting, payroll overtime, procurement of public works and tracking and monitoring of theft sensitive assets and fuel

- Environmental Services Department – payroll gross wages, accounts payable general disbursements and credit cards, procurement of public works and compliance with public works contract terms
- Public Works Department – cash receipting, accounts payable credit cards, surplus of land disposition/receipt of sales proceeds and procurement of public works and purchases
- Information Technology – payroll gross wages and overtime and accounts payable credit cards
- Planning and Development Services – cash receipting and accounts payable credit cards
- Police Department – use and tracking of confidential funds and cash receipting
- Neighborhood and Community Services – use of restricted funds – sales and use tax
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements

## 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, <https://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 includes a federal finding regarding reporting and wage rate requirements reported. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

## INFORMATION ABOUT THE CITY

The City of Tacoma serves approximately 225,100 citizens in Pierce County and is the third largest city in the state. The City operates under a council-manager form of government with nine independently elected, part-time Council Members, including the Mayor. The Mayor is the ceremonial head of the City and a member of the City Council. The Council Members choose a part-time Deputy Mayor from within the Council. The City Manager is appointed by the City Council and is responsible for daily operations of the City as well as its approximately 4,035 regular and temporary employees.

The City provides a full range of municipal services including police, Municipal Court, fire prevention and suppression, public works, planning and development, utilities, public facilities, community development, and general administrative and support services. In addition, the City owns public facilities including the Tacoma Dome, the Convention Center, Broadway Center for the Performing Arts, and Cheney Stadium.

For the 2023-2024 biennium, the City budget of approximately \$4.3 billion including \$615 million for the general fund and \$1.6 billion for the Tacoma Public Utilities. The Tacoma Metropolitan Parks District provides parks and recreation service on behalf of the City.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the City of Tacoma at <https://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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