

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**City of Vancouver**  
**Clark County**

Report Date  
**July 11, 2014**

**Report No. 1012263**

Issue Date  
**July 24, 2014**



**Washington State Auditor**  
**Troy Kelley**

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Independence • Respect • Integrity



## Washington State Auditor Troy Kelley

July 24, 2014

Mayor and City Council  
City of Vancouver  
Vancouver, Washington

### *Report on Accountability*

We appreciate the opportunity to work in cooperation with your City to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on the City of Vancouver's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**TROY KELLEY**  
STATE AUDITOR

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Clark County  
July 11, 2014**

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# Audit Summary

**City of Vancouver  
Clark County  
July 11, 2014**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the City of Vancouver from January 1, 2013 through December 31, 2013.

We evaluated internal controls and performed audit procedures on the activities of the City. We also determined whether the City complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Community and Economic Development – system review, building and planning fees, use of fees
- Utilities – billing, adjustments, accounts receivable
- Parks and recreation – Tennis, Firstenburg and Marshall centers, and Marine Park boat launch
- Public works on-call contracts – procurement and prevailing wages
- Airpark – lease revenues
- Miscellaneous accounts receivable including Sewer Connection Incentive Program loans and business licenses
- Use of restricted funds – disbursements, interfund transfers and donations
- Disbursements – general, travel and credit cards
- Payroll – Overtime
- Contract compliance - change orders and contract close-out
- Commute trip reduction program
- Financial condition
- Procurement

## ***RESULTS***

In the areas we examined, the City's internal controls were adequate to safeguard public assets. The City also complied with state laws and regulations and its own policies and procedures in the areas we examined.

## **Related Reports**

**City of Vancouver  
Clark County  
July 11, 2014**

### ***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.

### ***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 Federal Summary section of the financial statement and single audit report.

# Description of the City

## City of Vancouver Clark County July 11, 2014

### *ABOUT THE CITY*

The City of Vancouver serves over 164,500 Clark County residents and is the fourth largest city in the state. The City provides a variety of services including police and fire protection, parks and recreation facilities and activities, economic development, transportation, water, sewer and solid waste services.

An elected, six-member Council and independently elected Mayor govern the City. The Council appoints a manager to oversee the City's daily operations as well as its approximately 1,000 full-time employees. For the 2013-2014 biennium, the City is operating on an adopted budget of \$752 million.

### *ELECTED OFFICIALS*

These officials served during the audit period:

Mayor  
City Council:

Tim Leavitt  
Bill Turlay  
Jeanne Harris  
Jack Burkman  
Jeanne E. Stewart  
Larry J. Smith  
Bart Hansen

### *APPOINTED OFFICIALS*

City Manager  
Deputy City Manager  
City Attorney

Eric Holmes  
Dave Mercier  
Ted H. Gathe

## ***CITY CONTACT INFORMATION***

Address: City of Vancouver  
P.O. Box 1995  
Vancouver, WA 98668-1995

Phone: 360-487-8441

Website: [www.cityofvancouver.us](http://www.cityofvancouver.us)

## ***AUDIT HISTORY***

We audit the City annually. The prior five audits of the City reported one area of concern. The prior year audit contained a federal finding regarding compliance with federal equipment requirements. This finding has been partially resolved, as the City is continuing to address the concerns identified.





## **ABOUT THE STATE AUDITOR'S OFFICE**

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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 as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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**Director of Local Audit**  
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**Deputy Director of Performance Audit**  
**Deputy Director of Quality Assurance**  
**Deputy Director of Communications**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Troy Kelley**  
**Doug Cochran**  
**Chuck Pfeil, CPA**  
**Kelly Collins, CPA**  
**Jan M. Jutte, CPA, CGFM**  
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