

Washington State Auditor's Office
Accountability Audit Report

Pierce County Housing Authority

Report Date
June 19, 2009

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September 21, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 21, 2009

Board of Commissioners
Pierce County Housing Authority
Tacoma, Washington

Report on Accountability

Please find attached our report on Pierce County Housing Authority's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Housing Authority's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Audit Summary

Pierce County Housing Authority June 19, 2009

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Pierce County Housing Authority.

We performed audit procedures to determine whether the Housing Authority complied with state laws and regulations and its own policies and procedures. We also examined Housing Authority management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2008 through December 31, 2008.

RESULTS

The Housing Authority complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

Our opinion on the Housing Authority's financial statements and compliance with federal program requirements is provided in a separate report, which includes the Housing Authority's financial statements.

CLOSING REMARKS

We thank Housing Authority officials and personnel for their assistance and cooperation during the audit.

Description of the Housing Authority

Pierce County Housing Authority June 19, 2009

ABOUT THE HOUSING AUTHORITY

Pierce County Housing Authority was created to provide housing opportunities for eligible individuals within Pierce County. The Housing Authority owns 14 apartment complexes. Its annual operating budget is approximately \$27 million.

An elected, six-member Board of Commissioners governs the Housing Authority. Five of the Commissioners are appointed by the County Executive and one is a housing resident who is appointed by the Board. The Executive Director along with the 80 Housing Authority employees administer the day-to-day operations of the Housing Authority and carry out the policies established by the Board.

AUDIT HISTORY

We audit the Housing Authority annually. We have reported no findings for the Housing Authority over the last seven audits. Management has been responsive to our recommendations for improvements. This reflects the Housing Authority's desire and commitment to maintain a financial system with strong internal controls.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

David Boyd
Charles Leech
Mark Martinez
Melanie Morgan
Edward Troughton
Robert Gunstrom (through May 2008)

Housing Resident

Note: Susan Wilcox replaced Robert Gunstrom in July 2008.

APPOINTED OFFICIALS

Executive Director

~~Karen Hull~~
Karen Hull

ADDRESS

Housing Authority

603 South Polk Street
P.O. Box 45410
Tacoma, WA 98445-0410
(253) 620-5400
www.pchawa.org

Audit Areas Examined

Pierce County Housing Authority June 19, 2009

In keeping with general auditing practices, we do not examine every portion of Pierce County Housing Authority's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Housing Authority were examined during this audit period:

ACCOUNTABILITY

We evaluated the Housing Authority's accountability in the following areas:

- Accounts receivable
- Cash receipting
- Capital/small and attractive assets
- Public housing capital fund program
- Disbursements/expenditures
- Payroll/personnel
- Conflict of interest/ethics laws
- Eagles Watch Apartments

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the Housing Authority's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

FINANCIAL AREAS

Our opinion on the Housing Authority's financial statements is provided in a separate report. That report includes the Housing Authority's financial statements and other required financial information. We examined the financial activity and balances of the Housing Authority including:

- Cash and investments
- Revenue
- Expenditures/expenses
- Financial Data Schedule
- Capital assets
- Non-current liabilities
- Overall presentation of the financial statements
- Net assets



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.

Our mission is to work in cooperation 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 our 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 continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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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