



# Office of the Washington State Auditor

## Pat McCarthy

### **Exit Conference: City of Vancouver**

The Office of the Washington State Auditor’s vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

#### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2021 through December 31, 2021 – see draft report.
- Financial statement and federal grant compliance audits for January 1, 2021 through December 31, 2021 – see report.
- Comprehensive Annual Financial Report opinion letter – letter provided December 23, 2022.

#### **Audit Highlights**

We appreciate City staff as they made our audit a priority by providing audit requests and responding to questions timely. We would like to give a special thank you to Cyndi Turner and Jordan Sherman, who met with us each week, kept track of audit requests, and ensured we were being connected to the right people. Thank you City staff!

#### **Recommendations not included in the Audit Reports**

##### **Exit Items**

We have provided exit recommendations for management’s consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### **Status of Prior Management Letter items**

<b>Brief Description</b>	<b>Resolved</b>	<b>In Progress</b>	<b>Unresolved</b>
Financial statement preparation		✓	

## Communications required by audit standards

In relation to our financial statement audit report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are summarized on the attached schedule. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.
- The audit addressed the following risks, which required special consideration:
  - Due to the possibility that management may be able to circumvent certain controls, standards require the auditor to assess the risk of management override.

## Work of Other Auditors

A financial statement audit was performed by Perkins and Co. of the Vancouver Hotel and Convention Center. Professional audit standards require us to evaluate relevant work done by other auditors and communicate certain matters to the governing body.

- We performed procedures to ensure we could rely on the work of the external auditors and reference their audit in our audit report. These procedures included consideration of attendance at key meetings, evaluation of the firm's last peer review report, review of the other auditor's work, review of the other auditor's results and communications with the other auditor.
- We did not become aware of any instance in which the work of the other auditors gave rise to concern about the quality of their work.
- There were no limitations that restricted our analysis of the other audit(s).
- We did not become aware of any instance in which a material misstatement of the financial statements has or may have resulted from fraud or suspected fraud.

## Finalizing Your Audit

### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal>.

### **Management Representation Letter**

We have included a copy of representations received from management.

### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$245,000 and actual audit costs will slightly exceed that amount as communicated to management during the audit.

### **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in 2023 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement including Comprehensive Annual Financial Report Opinion Letter
- Federal Programs

The estimated cost for the next audit based on current rates is \$277,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

### **Questions?**

Please contact us with any questions about information in this document or related audit reports.

**Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)**

**Tina Watkins, CPA, Assistant Director of Local Audit, (360) 260-6411, [Tina.Watkins@sao.wa.gov](mailto:Tina.Watkins@sao.wa.gov)**

**Lindsay Osborne, Program Manager, (360) 260-6409, [Lindsay.Osborne@sao.wa.gov](mailto:Lindsay.Osborne@sao.wa.gov)**

**Greg Wynn, Assistant Audit Manager, (360) 260-6410, [Greg.Wynn@sao.wa.gov](mailto:Greg.Wynn@sao.wa.gov)**

**Nicholas Hoeft, Assistant Audit Manager, (360) 984-4802, [Nicholas.Hoeft@sao.wa.gov](mailto:Nicholas.Hoeft@sao.wa.gov)**