

Washington State Auditor's Office
Accountability Audit Report

City of Port Orchard
Kitsap County

Report Date
August 7, 2009

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September 8, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 8, 2009

Mayor and City Council
City of Port Orchard
Port Orchard, 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 Port Orchard'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,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Kitsap County
August 7, 2009**

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Audit Summary

**City of Port Orchard
Kitsap County
August 7, 2009**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Port Orchard for January 1, 2008, through December 31, 2008.

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:

- Open public meetings laws
- Conflict of interest/ethics laws
- Courts – financial operations
- Disbursements
- Payroll
- Hotel/motel tax use

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 Port Orchard
Kitsap County
August 7, 2009**

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 Port Orchard Kitsap County August 7, 2009

ABOUT THE CITY

The City of Port Orchard, located in Kitsap County, was incorporated on September 1, 1890. An elected, seven-member City Council governs the City with an independently elected Mayor. During 2008, the City served approximately 8,420 citizens with an operating budget of approximately \$11.5 million. Approximately 71 employees provide an array of services including water, sewer, police, Municipal Court, street maintenance, parks and recreation, community service programs and planning and economic development. Sewage treatment is a joint venture with West Sound Utility District.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Lary Coppola
John Clauson
Carolyn Powers
Fred Chang
Robert Putaansuu
Jerry Childs
Jim Colebank
Fred Olin

APPOINTED OFFICIALS

Clerk/Assistant to the Mayor
Treasurer
Public Works Director/City Engineer
Director of Building and Planning
Police Chief
Municipal Court Judge

Michelle Merlino (through June 2008)
Patti Kirkpatrick (effective July 2008)
Kristine Tompkins
Maher Abed (through April 2008)
Mark Dorsey (effective May 2008)
James Weaver (effective February 2008)
Alan Townsend
Tarrell Decker

CITY CONTACT INFORMATION

Address: City of Port Orchard
216 Prospect Street
Port Orchard, WA 98366

Phone: (360) 876-4407

Web site: www.cityofportorchard.us

AUDIT HISTORY

We audit the City annually. The City had no findings in the past six years. This reflects the City's commitment to maintain a strong financial system with sufficient internal controls. In addition, City officials are very responsive to audit recommendations, and audit concerns are discussed, addressed and often resolved before completion of our audit.



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.

State Auditor
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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Special Investigations
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Director of Quality Assurance
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Ted Rutt
Doug Cochran
Jerry Pugnetti
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