

Washington State Auditor's Office
Accountability Audit Report

City of Sedro-Woolley
Skagit County

Report Date
April 20, 2010

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Issue Date
June 7, 2010



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

June 7, 2010

Mayor and City Council
City of Sedro-Woolley
Sedro Woolley, 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 Sedro-Woolley'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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Skagit County
April 20, 2010**

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Audit Summary

**City of Sedro-Woolley
Skagit County
April 20, 2010**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Sedro-Woolley for the period from January 1, 2009, through December 31, 2009.

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:

- Open Public Meetings Act
- Conflict of interest
- Ability to meet current and future operations
- Disbursement internal controls
- Investments
- Procurement/bid law
- Safeguarding of assets
- Payroll
- Cemetery Department review

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 Sedro-Woolley
Skagit County
April 20, 2010**

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 program, which is listed in the Federal Summary section of the financial statement and single audit report.

Description of the City

City of Sedro-Woolley Skagit County April 20, 2010

ABOUT THE CITY

The City of Sedro-Woolley, incorporated in 1898, currently serves approximately 10,030 citizens in Skagit County. The City provides services including police, fire, building inspection, general administration, stormwater, wastewater treatment, solid waste disposal, legal administration, library, street construction and maintenance, parks and a cemetery.

An elected, seven-member Council and an independently elected Mayor govern the City. The Council appoints management to oversee the City's daily operations as well as its 60 employees. For fiscal year 2009, the City operated on an annual general fund budget of approximately \$4.2 million.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	Mike Anderson
City Council:	Ted Meamber
	Tony Splane
	Pat Colgan
	Hugh Galbraith
	Rick Lemley
	Dennis London (through December 2009)
	Louis Requa (through January 2009)
	Thomas Storrs (effective March 2009)
	Brett Sandstrom (effective January 2010)

APPOINTED OFFICIALS

Finance Director	Patsy Nelson
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CITY CONTACT INFORMATION

Address:	City of Sedro-Woolley 325 Metcalf Street Sedro-Woolley, WA 98284
Phone:	(360) 855-1661
Web site:	www.ci.sedro-woolley.wa.us

AUDIT HISTORY

We audit the City every year. In 2003, we reported a finding for inadequate internal controls over the Municipal Court. This finding was resolved in 2004. There have been no findings in the last five audits and we believe this reflects the City's desire and commitment to maintain a strong financial system.



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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