

Washington State Auditor's Office
Accountability Audit Report

City of Palouse
Whitman County

Report Date
November 21, 2013

Report No. 1010843

Issue Date
December 16, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

December 16, 2013

Mayor and City Council
City of Palouse
Palouse, 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 Palouse'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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Whitman County
November 21, 2013**

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Audit Summary

**City of Palouse
Whitman County
November 21, 2013**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Palouse from January 1, 2010 through December 31, 2012.

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:

- Contracts/agreements
- Open public meeting minutes
- Procurement (bidding/prevaling wage)
- Payments/expenditures
- Inter-fund transactions/balances
- Use of restricted funds
- Payroll/personnel

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 Palouse
Whitman County
November 21, 2013**

FINANCIAL

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

Description of the City

City of Palouse Whitman County November 21, 2013

ABOUT THE CITY

The City of Palouse serves approximately 1,000 Whitman County residents. It provides an array of services including police/public safety, general administration, fire prevention, street improvements, parks, including a swimming pool, and water and waste water collection.

An elected, seven-member Council with a separately elected Mayor governs the City. The Council appoints management to oversee the City's daily operations as well as its six full-time and six seasonal employees. For fiscal years 2010, 2011 and 2012, the City operated on annual budgets of approximately \$1.6 million, \$1.4 million and \$2 million, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Michael Echanove
Mike Milano
Jeff Snook
Randy Zehm
Darcie Bagott
Rick Wekenman
Norm Schorzman
Roger Marcus

Cecil Floyd was appointed in May 2010, and elected in November 2011, after Darcie Bagott's resignation. Senja Estes was appointed in May 2013 after Cecil Floyd's resignation. Connie Newman was appointed in September 2010, and elected in November 2011, after Roger Marcus' resignation. Tim Jones was appointed in March 2011, and elected in November 2011, after Randy Zehm's resignation. Alison Webb was appointed in April 2012 after Mike Milano's resignation. Bo Ossinger was elected in November 2011 to the position vacated by Jeff Snook.

APPOINTED OFFICIALS

Clerk-Treasurer

Joyce Beeson

CITY CONTACT INFORMATION

Address: City of Palouse
P.O. Box 248
Palouse, WA 99161

Phone: (509) 878-1811

Website: www.visitpalouse.com

AUDIT HISTORY

The City is audited once every three years. The City's accountability audits have been free of findings for seven consecutive audits.



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.

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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