



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

## **Accountability Audit Report**

# **Spokane Housing Authority**

**Spokane County**

**For the period July 1, 2012 through June 30, 2014**

**Published March 23, 2015**

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# Washington State Auditor

## Troy Kelley

March 23, 2015

Board of Commissioners  
Spokane Housing Authority  
Spokane, Washington

### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Housing Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Housing Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, Housing Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Housing Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the Spokane Housing Authority from July 1, 2012 through June 30, 2014.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Housing Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Low-income occupancy requirements
- Financial condition
- Procurement (including prevailing wage)
- Rental and laundry revenues
- Tenant fraud reporting
- Bond covenants
- Payroll (leave payouts)
- Electronic fund transfers

## RELATED REPORTS

### **Financial**

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

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report. That report includes a federal finding regarding compliance with the Section 8 Housing Choice Vouchers.

## INFORMATION ABOUT THE HOUSING AUTHORITY

The City of Spokane created the Spokane Housing Authority in 1972 to provide affordable, safe and sanitary housing for low-income individuals and families. In 2011 the Housing Authority renewed its mission to state, “To provide, develop and promote quality affordable housing options in the communities we serve.”

The Housing Authority provides housing assistance to more than 5,000 low income families in the cities of Spokane and Spokane Valley and the unincorporated areas of Spokane County, as well as the cities of Millwood, Deer Park, Medical Lake, Airway Heights, Spangle and Cheney, through cooperative agreements. The Housing Authority owns 10 apartment complexes and 125 public housing units and is a general partner in the Cornerstone II – Borning Building, Cornerstone II – Helena Apartments and Martindale Apartment limited partnerships.

The Housing Authority is governed by a six-member Board of Commissioners, appointed by the Mayors of the cities of Spokane and Spokane Valley and the Spokane County Commissioners. The Board appoints an Executive Director to oversee the Housing Authority’s daily operations as well as its 70 employees. For fiscal years 2013 and 2014, the Housing Authority operated on approximately \$34 million and \$33.5 million, respectively.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Spokane Housing Authority at <http://portal.sao.wa.gov/ReportSearch>.

## 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 to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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