



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Accountability Audit Report**  
**Spokane Housing Authority**  
**Spokane County**

**For the period July 1, 2014 through December 31, 2016**

**Published September 25, 2017**

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**Office of the Washington State Auditor**  
**Pat McCarthy**

September 25, 2017

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,

Pat McCarthy  
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, 2014 through December 31, 2016.

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:

- Software conversion
- Sale of property
- Procurement (public works)
- Tax credit partnership activity
- Conflict of interest

## 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. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **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 Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE HOUSING AUTHORITY

The Spokane Housing Authority was established in 1972 to provide affordable, safe, and sanitary housing for persons of low income. In 2003, the Housing Authority became a joint city-county housing as authorized by of the Cities of Spokane and Spokane Valley, and Spokane County. In 2016 the Housing Authority renewed its mission to state that “we collaborate to create and sustain quality affordable housing options that support people to have better, healthier and more satisfying lives.”

The Housing Authority serves more than 6,500 low income households in the of the cities of Spokane and Spokane Valley and all 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 four apartment complexes and 74 single family housing units and is the managing general partner of the Cornerstone II – Borning Building; Cornerstone II – Helena Apartments; Martindale Apartment; Cedar Haven; and Parsons Apartments.

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 65 employees. For the fiscal year 2015 and the eighteen-month period ended December 31, 2016, the Housing Authority operated on approximately \$32.2 million, and \$54.8 million, respectively.

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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.

<b>Contact information for the State Auditor's Office</b>	
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