

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**City of Port Orchard**  
**Kitsap County**

Report Date  
**July 8, 2011**

**Report No. 1006142**

Issue Date  
**August 22, 2011**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

August 22, 2011

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  
July 8, 2011**

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# **Audit Summary**

**City of Port Orchard  
Kitsap County  
July 8, 2011**

## ***ABOUT THE AUDIT***

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

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:

- Accounting/financial reporting
- Utility billings/receivables
- Cash receipting
- Open public meetings/records laws
- Disbursements/expenditures
- Payroll
- Courts – financial operations

## ***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  
July 8, 2011**

### ***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 Port Orchard  
Kitsap County  
July 8, 2011

## **ABOUT THE CITY**

The City of Port Orchard, located in Kitsap County, was incorporated on September 1, 1890. The City provides its roughly 10,000 citizens an array of services including water, sewer, storm, 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.

An elected, seven-member City Council and an independently elected Mayor govern the City. The Council appoints management to oversee the City's daily operations as well as its approximately 70 employees. For fiscal year 2010, the City operated on an annual budget of approximately \$26.7 million.

## **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  
City Development Director  
Police Chief  
Municipal Court Judge

Patti Kirkpatrick  
Allan Martin  
Mark Dorsey  
James Weaver  
Alan Townsend  
Tarrell Decker

**CITY CONTACT INFORMATION**

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

Phone: (360) 876-4407

Website: [www.cityofportorchard.us](http://www.cityofportorchard.us)

**AUDIT HISTORY**

We audit the City annually. The City has had no findings in the past eight 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**

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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**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
**Ivan Dansereau**  
**Mike Murphy**  
**Mindy Chambers**  
**Mary Leider**  
**(360) 902-0370**  
**(866) 902-3900**

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