

Washington State Auditor's Office
Accountability Audit Report

City of Mukilteo
Snohomish County

Report Date
June 29, 2009

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August 3, 2009



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

August 3, 2009

Mayor and City Council
City of Mukilteo
Mukilteo, 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 Mukilteo'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

Table of Contents

**City of Mukilteo
Snohomish County
June 29, 2009**

Audit Summary	1
Related Reports	2
Description of the City	3

Audit Summary

**City of Mukilteo
Snohomish County
June 29, 2009**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Mukilteo for January 1, 2008, through December 31, 2008.

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:

- Open Public Meetings Act
- Procurement
- Budget compliance
- Advance travel
- General inventory
- Rosehill damage deposits
- Public Works payroll
- Revenue

RESULTS

In most areas, the City complied with state laws and regulations and its own policies and procedures.

However, we noted certain matters that we communicated to City management. We appreciate the City's commitment to resolving those matters.

Related Reports

**City of Mukilteo
Snohomish County
June 29, 2009**

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 Mukilteo
Snohomish County
June 29, 2009**

ABOUT THE CITY

The City of Mukilteo has a population of approximately 20,050 residents and encompasses 6.25 square miles in Snohomish County. A mayor-council form of government administers the City with seven elected Council Members and an elected Mayor. For fiscal year 2008, the City's expenditures totaled \$24,876,769. The City's 89 full-time employees provide an array of services including police and fire protection, emergency medical services, street maintenance, surface water management, planning and zoning, parks and recreation and general government services.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	Joe Marine
City Council:	Jennifer Gregerson
	Howard T. Tinsley
	Randy Lord
	Kevin Stoltz
	Linda Grafer
	Emily Vanderwielen
	Marko Liias (through January 2008)
	Richard Emery (effective February 2008)

APPOINTED OFFICIALS

City Administrator	Joe Hannan
Finance Director	Scott James
Planning and Community Development Director	Heather McCartney
Police Chief	Michael Murphy
Fire Chief	Mike Springer
Public Works Director	Larry Waters

CITY CONTACT INFORMATION

Address: City of Mukilteo
11930 Cyrus Way
Mukilteo, WA 98275

Phone: (425) 355-4141

Web site: www.ci.mukilteo.wa.us

AUDIT HISTORY

The City is audited annually. The past five audits of the City have reported five findings. The 2004 audit contained a finding involving a state law violation related to contributing restricted revenue to a private, nonprofit corporation. The 2005 audit issued four findings related to financial statement preparation and reporting, inadequate internal controls over the management of cash and investment accounts, inadequate internal controls and procedures in place over journal vouchers and inadequate internal controls over capital assets. The City has resolved these issues.



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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