

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

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**Housing Authority of the County of King**  
**(King County Housing Authority)**

Report Date  
**January 6, 2009**

**Report No. 1000660**

Issue Date  
**March 16, 2009**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

March 16, 2009

Board of Commissioners  
King County Housing Authority  
Tukwila, Washington

***Report on Accountability***

Please find attached our report on the King County Housing Authority's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Housing Authority's financial statements and compliance with federal laws and regulations. The results of that audit will be included in a separately issued audit report.

Sincerely,

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

Table of Contents

**King County Housing Authority**  
**January 6, 2009**

Audit Summary..... 1

Description of the Housing Authority..... 2

Audit Areas Examined..... 4

# Audit Summary

## King County Housing Authority January 6, 2009

### ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the King County Housing Authority.

We performed audit procedures to determine whether the Housing Authority complied with state laws and regulations and its own policies and procedures. We also examined Housing Authority management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from July 1, 2007, through June 30, 2008.

### ***RESULTS***

The Housing Authority complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

### ***CLOSING REMARKS***

We thank Housing Authority officials and personnel for their assistance and cooperation during the audit.

# Description of the Housing Authority

## King County Housing Authority January 6, 2009

### **ABOUT THE HOUSING AUTHORITY**

The Housing Authority of the County of King, doing business as King County Housing Authority, was created in 1939 in response to the Federal Housing Act of 1937. Its purpose is to provide housing assistance to low-income households. To accomplish this objective, the Housing Authority administers a broad range of federal and local subsidized housing programs. The Housing Authority's jurisdiction encompasses an area exceeding 2,134 square miles throughout King County, except within the cities of Seattle and Renton, which have their own housing authorities. Housing Authority operations are directed from an Administrative Office and Section 8 office, both located in Tukwila. Seven additional offices are located throughout King County staffed with 305 full-time employees.

A five-member Board of Commissioners, appointed by the King County Executive and confirmed by the King County Council, governs the Housing Authority. The Board of Commissioners establishes the Housing Authority's policies and programs. The Housing Authority has an annual consolidated budget (including tax credit partnerships) of approximately \$130 million.

### **AUDIT HISTORY**

We audit the Housing Authority annually. In the past six years, the Housing Authority has had three findings. In 2003 we reported a finding over misappropriation of tenant revenue and noncompliance with federal suspension and debarment requirements. In 2006 we reported noncompliance with the federal Period of Availability.

The Housing Authority is in the process of converting to a calendar year for financial statement purposes, effective December 31, 2008. The December 31, 2008, financial statements will encompass an 18-month period. We will include a partial-year accountability audit with that year's audit.

### **ELECTED OFFICIALS**

These officials served during the audit period:

Board of Commissioners:

Chair

Vice Chair

Nancy Holland-Young

Delores Brown

Debra Coates

Doreen Cato

Peter Orser

### **APPOINTED OFFICIALS**

Executive Director

Stephen Norman

**ADDRESS**

Housing Authority

600 Andover Park W  
Tukwila, WA 98188  
(206) 574-1100

# Audit Areas Examined

## King County Housing Authority January 6, 2009

In keeping with general auditing practices, we do not examine every portion of the King County Housing Authority's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Housing Authority were examined during this audit period:

### ***ACCOUNTABILITY***

We evaluated the Housing Authority's accountability and compliance with laws, regulations, contracts and grant agreements in the following areas:

- Billings/receivables
- Cash receipting
- Small and attractive assets such as computers
- Contracts/agreements
- Donations/fundraising
- Insurance/risk management
- Investments
- Open public meetings/records laws
- Bond covenants
- Disbursements/expenditures
- Payroll/personnel
- Conflict of interest/ethics laws
- Compliance with state grant requirements
- Housing developments
- PILOT payments
- Statutory authority
- Petty cash
- Travel



## **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.

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