

Washington State Auditor's Office
Accountability Audit Report

City of Yelm
Thurston County

Report Date
January 22, 2013

Report No. 1009157

Issue Date
February 19, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

February 19, 2013

Mayor and City Council
City of Yelm
Yelm, 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 Yelm'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,

TROY KELLEY
STATE AUDITOR

Table of Contents

**City of Yelm
Thurston County
January 22, 2013**

Audit Summary	1
Related Reports	2
Description of the City	3

Audit Summary

City of Yelm
Thurston County
January 22, 2013

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Yelm from January 1, 2010 through December 31, 2011.

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:

- Open public meetings
- Revenue
- Financial condition
- Cost allocation
- Utilities
- Conflict of Interest
- Payroll
- Disbursements

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 Yelm
Thurston County
January 22, 2013**

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 Yelm
Thurston County
January 22, 2013**

ABOUT THE CITY

The City of Yelm, located in Thurston County, was incorporated in 1924 and serves approximately 6,850 citizens. The City provides, either directly or through contract, services including public safety, fire prevention, street improvement, parks, Municipal Court and general administration. In addition, the City owns and operates a water and sewer system.

An elected, seven-member City Council and an independently elected Mayor govern the City. The Mayor appoints and the Council approves a City Administrator to oversee the City's daily operations as well as its 47 employees. For fiscal year 2011, the City operated on a \$5.5 million general fund budget.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor
City Council:

Ron Harding
Joe Baker
Bob Isom
Mike McGowan
Tracey Wood
Russ Hendrickson
Don Miller
John Thompson

APPOINTED OFFICIALS

City Administrator

Shelly Badger

CITY CONTACT INFORMATION

Address: City of Yelm
105 Yelm Avenue W.
Yelm, WA 98597

Phone: (360) 458-8404

Website: www.ci.yelm.wa.us

AUDIT HISTORY

We audit the City every two years. This audit marks the 16th consecutive year the City has not had a finding. Audit issues are often discussed and resolved before completion of the audit. We believe this reflects management's commitment to strong internal controls.



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 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 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 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
Director of State and Local Audit
Director of Performance Audit
Deputy Director of State and Local Audit
Deputy Director of State and Local Audit
Deputy Director of Quality Assurance
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

Troy Kelley
Doug Cochran
Chuck Pfeil, CPA
Larisa Benson
Kelly Collins, CPA
Jan M. Jutte, CPA, CGFM
Barb Hinton
Mike Murphy
Mary Leider
(360) 902-0370
(866) 902-3900

Website
Subscription Service

www.sao.wa.gov
<https://www.sao.wa.gov/EN/News/Subscriptions>