



# Exit Conference

City of Tacoma - Accountability  
January 1, 2023 – December 31, 2023

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July 15, 2025

Disclaimer: This presentation is intended to be viewed in conjunction with the complete packet of exit materials provided. A copy of those materials may be requested by contacting the presenters listed or by emailing [PublicRecords@sao.wa.gov](mailto:PublicRecords@sao.wa.gov).

**AUDITOR OF STATE  
WASHINGTON**  
Office of the  
Washington  
State Auditor  
Pat McCarthy

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## Results that Matter

-  Increased trust in government
-  Independent, transparent examinations
-  Improved efficiency and effectiveness of government



Pat McCarthy  
State Auditor

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# Accountability Audit Results

January 1, 2023 through December 31, 2023

## Results in Brief

This report describes the overall results and conclusions for the areas we examined.

In those selected areas, City operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.



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# Accountability Audit Results

Using a risk-based audit approach, for the City, we examined the following areas during the period:

- Tacoma Public Utilities and Public Works
  - Payroll – gross wages
- Municipal Court
  - Software conversion – Enterprise Justice
  - Payroll – gross wages and overtime
  - Accounts payable – credit cards
- Tacoma Rail
  - Cash receipting – timeliness and completeness of deposits
  - Payroll – overtime
  - Procurement – public works
  - Tracking and monitoring of theft sensitive assets – fuel



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## Accountability Audit Results

Using a risk-based audit approach, for the City, we examined the following areas during the period:

- Environmental Services Department
  - Payroll – gross wages
  - Accounts payable – general disbursements and credit cards
  - Procurement – public works
  - Compliance with public works contract terms
- Public Works Department
  - Cash receipting – timeliness and completeness of deposits
  - Accounts payable – credit cards
  - Surplus of equipment – disposition and receipt of sales proceeds
  - Procurement – public works and purchases

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## Accountability Audit Results

Using a risk-based audit approach, for the City, we examined the following areas during the period:

- Information Technology
  - Payroll – gross wages and overtime
  - Accounts payable – credit cards
- Planning & Development Services
  - Cash receipting – timeliness and completeness of deposits
  - Accounts payable – credit cards
- Police Department
  - Use and tracking of confidential funds and cash receipting
- Neighborhood & Community Services
  - Use of restricted funds – sales and use tax

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# Accountability Audit Results

Using a risk-based audit approach, for the City, we examined the following areas during the period:

- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress




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## Payroll Timekeeping – Management Letter

Please see your exit packet to view  
the details of this recommendation



  
Office of the Washington State Auditor  
Pat McCarthy

July 15, 2025

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

Management Letter

This letter includes a summary of specific matters that we identified during our accountability audit for January 1, 2023 through December 31, 2023.

These matters are not included as findings in our public report, but we view them as important enough to warrant the attention of management and the governing body. This letter will be referenced in our report.

This letter is intended for the information and use of management and the governing body as recommendations to help strengthen the City's internal controls. This letter is not suitable for any other purpose.

Management Letter  
City of Tacoma  
January 1, 2023 through December 31, 2023

Payroll Timekeeping

The City is responsible for designing and following internal controls to provide reasonable assurance that employee compensation is supported and paid in accordance with state law and City policies. Additionally, the City is responsible for reporting known and suspected losses to our Office.

Our audit found the City did not have adequate internal controls to ensure employees were not paid for time not worked. Specifically, the Tacoma Public Utilities and Public Works did not have controls in place to actively monitor employee activity and ensure adequate supervisory review and approval processes to verify employees are working during the times submitted for payment.

As a result, the City notified our Office on December 4, 2023, December 31, 2024, and January 29, 2024, of potential losses of public funds, as required by state law. In each of the reported losses, the City performed an investigation and provided its files to us for review. Our review of the City's

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## Closing Remarks

Audit costs are in alignment with our original estimate.

For fiscal year 2024, we will be performing the City's Accountability audit in fall of 2025.

Next audit: scheduled to begin in April 2025

- Financial statements, including ACFR
  - January 1, 2024 – December 31, 2024
- Federal programs
  - January 1, 2024 – December 31, 2024
- Accountability for public resources
  - January 1, 2024 – December 31, 2024

An estimated cost for the next audit has been provided in our exit packet.



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## Report Publication

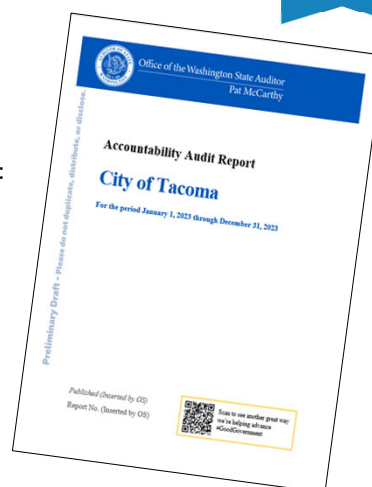
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### Audit Survey

When your report is released, you will receive an audit survey from us.

We value your opinions on our audit services and hope you provide feedback.



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# Thank You!



- We thank City officials and staff for timely communications throughout the audit process.
- In particular, we would like to thank Susan Calderon, Assistant Finance Director, and Polly Wainaina, Senior Financial Manager, for their collaboration and timely responses to audit requests to help move the audit forward.

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# Questions?



Contact Wendy Choy, Assistant Director of Local Audit,  
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