



# City of Seattle Exit Conference June 7, 2011

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## Meeting Agenda

The purpose of our exit conference is to share the results of our independent audit and to provide a forum for open discussion. We are pleased to review our draft reports and discuss other topics.

Preliminary audit results and recommendations were shared in detail with City management as they were developed during the audit. We thank staff for their cooperation and timely response to our requests during the audit.

## Accountability Audit

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### Report

Our draft accountability report summarizes the results of our risk-based audit work related to safeguarding of public resources and legal compliance. The report includes the following findings:

- The City of Seattle lacks adequate internal controls over utility discounts resulting in benefits to individuals whose eligibility has expired and in increased utility rates to ratepayers.
- The City of Seattle lacks adequate processes to monitor adjustments to accounts that reduce amounts owed by utility customers which may cause other customers to pay more.
- The City of Seattle does not have adequate processes to ensure its internal service funds charge all its customers in an equitable way.

## Status of Prior Audit Recommendations

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The prior accountability report dated May 10, 2010 included two findings. To ensure the City has adequate time for corrective action, we did not perform audit procedures to follow-up on the status of those findings. We will review the corrective action during the 2011 Accountability audit.