

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

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**City of Bainbridge Island**  
**Kitsap County**

Report Date  
**December 1, 2009**

**Report No. 1002862**

Issue Date  
**January 25, 2010**



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR



**Washington State Auditor  
Brian Sonntag**

January 25, 2010

Council  
City of Bainbridge Island  
Bainbridge Island, 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 Bainbridge Island'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

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Kitsap County  
December 1, 2009**

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# Audit Summary

## City of Bainbridge Island Kitsap County December 1, 2009

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

This report contains the results of our independent accountability audit of the City of Bainbridge Island for the period from 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 period:

- Accounting/financial reporting
- Billings/receivables
- Insurance/risk management
- Open public meetings/records laws
- Budget compliance
- Lodging tax
- Disbursements/expenditures
- Payroll/personnel
- Conflict of interest/ethics laws
- Courts – financial operations
- Inter-fund transactions/balances

### ***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 Bainbridge Island  
Kitsap County  
December 1, 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 Bainbridge Island Kitsap County December 1, 2009

### **ABOUT THE CITY**

The City of Bainbridge Island serves approximately 23,180 citizens in Kitsap County. It is administered by a mayor-council form of government with seven elected Council Members and an independently elected Mayor. During 2008, the City operated on a \$58 million annual budget. Its 125 full-time employees provide an array of services including water, sewer and storm drainage, Municipal Court, street maintenance, parks, community service programs, and planning and economic development. The City contracts for fire protection, jail services and emergency medical services. A private company provides solid waste collection.

### **ELECTED OFFICIALS**

These officials served during the audit period:

Mayor  
Council:

Darlene Kordonowy  
Bill Knobloch  
Kjell Stoknes  
Deborah Vancil  
Chris Snow  
Kim Brackett  
Hilary Franz  
Barry Peters

### **APPOINTED OFFICIALS**

City Administrator  
Court Administrator  
Finance Director  
City Clerk  
IT Director  
Police Chief  
Planning Director  
Public Works Director

Mark Dombroski  
Telma Hauth  
Elray Konkel  
Rosalind Lassoff  
Steve Miller  
Matt Haney  
Katharine Cook  
Randy Witt

## ***CITY CONTACT INFORMATION***

Address: City of Bainbridge Island  
280 Madison Ave N.  
Bainbridge Island, WA 98110

Phone: (206) 780-8668

Web site: [www.ci.bainbridge-isl.wa.us](http://www.ci.bainbridge-isl.wa.us)

## ***AUDIT HISTORY***

A finding was issued in the 2007 audit due to failure by city management to follow proper accounting procedures. During the 2002 audit, we noted that the City lacked adequate controls over timely and accurate financial statement reporting.



## **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.

**State Auditor**  
**Chief of Staff**  
**Deputy Chief of Staff**  
**Chief Policy Advisor**  
**Director of Audit**  
**Director of Special Investigations**  
**Director for Legal Affairs**  
**Director of Quality Assurance**  
**Local Government Liaison**  
**Communications Director**  
**Public Records Officer**  
**Main number**  
**Toll-free Citizen Hotline**

**Brian Sonntag, CGFM**  
**Ted Rutt**  
**Doug Cochran**  
**Jerry Pugnetti**  
**Chuck Pfeil, CPA**  
**Jim Brittain, CPA**  
**Jan Jutte, CPA, CGFM**  
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