

Schedule of Audit Findings

Kitsap County Consolidated Housing Authority July 1, 1998 through June 30, 1999

- 1. The Housing Authority did not submit its annual financial report or single audit report within the required deadlines.**

Description of Condition

The Kitsap County Consolidated Housing Authority did not submit its year-end June 30, 1999, financial reports until April 14, 2000. State law requires the Housing Authority to submit its financial reports within 150 days of fiscal year-end (by November 30, 1999).

The Housing Authority receives federal funds and is subject to the audit requirements of the Single Audit Act. Because of the extreme delay in receiving the Housing Authority's final financial reports for fiscal year 1999, the Housing Authority's 1998 single audit report could not be issued within the Single Audit Act's reporting deadline (March 31, 2000).

Cause of Condition

Due to staff turnover and changes in accounting software, the Housing Authority did not dedicate sufficient resources to the preparation of its financial reports.

Effect of Condition

Because the Housing Authority did not prepare and file financial reports within the prescribed time, the users of these reports were denied timely access to the Housing Authority's financial information. Additionally, when the Housing Authority does not provide financial information in a timely manner, audit time and costs increase.

Further, late filing of the Housing Authority's single audit report could jeopardize possible federal funding in the future.

Recommendations

We recommend the Housing Authority prepare and submit its annual financial reports and the single audit report within the prescribed time periods.

Housing Authority's Response

The Housing Authority has initiated substantial upgrades to its computer hardware and software systems in response to the complexity of the financial issues it faces. The system upgrades should improve the effectiveness of the entire organization and enable the Finance Department staff to prepare all reports in a timely manner. Additionally, new staff members have been hired.

Auditor's Remarks

We appreciate the actions taken by the Housing Authority to address our concerns. We will review these matters during the course of our next audit.