

# Audit Areas Examined

## Kitsap County Consolidated Housing Authority July 1, 1997 through June 30, 1998

In keeping with general auditing practices, we do not examine every portion of the Housing Authority's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years.

We did not audit how the Housing Authority is addressing year 2000 issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer systems and electronic equipment cannot recognize the difference between the year 1900 and 2000. Because of the unprecedented nature of the year 2000 issue, its effects will not be determinable until the year 2000 and thereafter. Accordingly, we do not provide assurance that the Housing Authority is or will be year 2000 ready.

The following areas of the Housing Authority were examined during this audit period:

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Rental receipts
- Conflict of interest
- Open public meetings laws
- Insurance coverage
- Debt limitation
- Payroll
- Budgets
- Safeguarding assets
- Bid requirements
- Expenditures

### **INTERNAL CONTROL**

We examined the Housing Authority's internal controls in the following areas:

- Cash receipting
- Billings and receivables
- Disbursements
- Accounts payable
- Property and equipment
- Payroll

### **FINANCIAL AREAS**

In addition to the financial-related work listed in other categories, we audited the following areas:

- Long-term Debt
- Cash and investments
- Accounts payable
- Assessments receivable
- Overall presentation of financial statements

## ***FEDERAL PROGRAMS***

We evaluated internal controls and tested compliance with the following federal requirements for the Housing Authority's major federal programs. A complete list of programs is provided in the Federal Summary section of this report:

- Procurement of goods and services
- Cash management
- Financial reporting
- Spending grant funds for allowable purposes
- Eligibility of program recipients
- Prevailing wage requirements under the Davis-Bacon Act
- Management and disposition of equipment and real property