

# City of Redmond



**Redmond**  
WASHINGTON

## Agenda

### Special Meeting Notice and Agenda

Tuesday, May 12, 2026

6:30 PM

**City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziplly Ch. 34,  
Facebook (@CityofRedmond), Redmond.gov/rctlive, or 510-335-7371**

## City Council

*Mayor*

*Angela Birney*

*Councilmembers*

*Melissa Stuart, President*

*Angie Nuevacamina, Vice President*

*Jessica Forsythe*

*Vanessa Kritzer*

*Sayna Parsi*

*Vivek Prakriya*

*Menka Soni*

**Redmond City Council Agendas, Meeting Notices, and Minutes are available on the City's Web Site:**

<http://www.redmond.gov/CouncilMeetings>

**FOR ASSISTANCE AT COUNCIL MEETINGS FOR THE HEARING OR VISUALLY IMPAIRED:**

Please contact the City Clerk's office at (425) 556-2194 one week in advance of the meeting.

*Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctlive), Comcast Channel 21/321, Ziplly Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371*

**AGENDA**

ROLL CALL

1. 2022 & 2023 Accountability Audit Exit Conference

[Attachment A: City of Redmond 2022 & 2023 Accountability Audit Exit Conference Overview](#)

2. 2024 Financial Audit Entrance Conference

[Attachment A: City of Redmond 2024 Financial Audit Entrance Conference Overview](#)

ADJOURNMENT

*Meeting videos are usually posted by 12 p.m. the day following the meeting at redmond.legistar.com, and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at redmond.gov/OnDemand*



Memorandum

**Date:** 5/12/2026  
**Meeting of:** City Council Special Meeting

**File No.** SPC 26-036  
**Type:** Verbal Report

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

|         |                |              |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

**DEPARTMENT STAFF:**

|         |               |                         |
|---------|---------------|-------------------------|
| Finance | Haritha Narra | Deputy Finance Director |
| Finance | Nida Hermoso  | Accounting Manager      |

**TITLE:**  
2022 & 2023 Accountability Audit Exit Conference

**OVERVIEW STATEMENT:**

Staff from the Office of the Washington State Auditor will share the results of the City’s 2022 and 2023 Accountability Audit and draft reporting.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
In accordance with generally accepted accounting principles, cities over 2,500 in population must have an annual audit.
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

The mission of the Office of the Washington State Auditor is to provide independent and transparent examinations of

how state and local governments use public funds and develop strategies that make government more efficient and effective.

For the 2022 and 2023 audits, the Auditors completed the financial audits first for reporting purposes, and then completed the 2022 and 2023 Accountability Audits together. The auditor performed a financial statement audit to provide an independent opinion on the City’s financial statements and results of operations to determine if the financial statements present a reliable, accurate picture of the City’s finances. There was a planned delay in the timing of the 2023 audit due to the implementation of the City’s new Financial System (D365), which went live in June 2023. The delay also impacted the timing of the 2024 audit. A delayed audit is typical when financial systems are impacted, and the City has been working in partnership with the State Auditor’s Office to allow for the exception to the standard audit practice. The 2024 financial statement audit was started in December 2025 and is still underway, with a target completion date of May 2026.

The 2022 and 2023 Accountability Audit report will be available closer to the May 12 meeting date. It will be posted with the May 12 meeting materials so that it is accessible to the public, and Council will be notified when it is available.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

- The full audit cost for the 2022 audit was \$134,130.76. The Accountability Audit is included in this amount.
- The full audit cost for the 2023 audit was \$179,748.15. The Accountability Audit is included in this amount.

**Approved in current biennial budget:**       **Yes**       **No**       **N/A**

**Budget Offer Number:**  
297 (Fiscal Accountability)

**Budget Priority:**  
Strategic and Responsive

**Other budget impacts or additional costs:**       **Yes**       **No**       **N/A**

**If yes, explain:**  
N/A

**Funding source(s):**  
General Fund

**Budget/Funding Constraints:**

N/A

**Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

| <b>Date</b> | <b>Meeting</b>  | <b>Requested Action</b> |
|-------------|---|-------------------------|
| 5/28/2024   | Study Session - 2022 Financial Audit Entrance Conference  | Receive Information     |
| 10/15/2024  | Special Meeting - 2022 Financial Audit Exit Conference  | Receive Information     |
| 6/10/2025   | Special Meeting - 2023 Financial Audit Entrance Conference  | Receive Information     |
| 12/9/2025   | Committee of the Whole - Finance, Administration, and Communications - 2023 Financial Audit Exit Conference | Receive Information     |

**Proposed Upcoming Contact(s)**

| <b>Date</b> | <b>Meeting</b>             | <b>Requested Action</b> |
|-------------|----------------------------|-------------------------|
| N/A         | None proposed at this time | N/A                     |

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: City of Redmond 2022 & 2023 Accountability Audit Exit Conference Overview



# Office of the Washington State Auditor

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## Pat McCarthy

## **Exit Conference: City of Redmond**

The Office of the Washington State Auditor’s vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2022 through December 31, 2023 – see draft report.

### **Audit Highlights**

- We would like to thank Nida Hermoso, Accounting Manager; Stephanie Woo, Finance Supervisor; Haritha Narra, Deputy Finance Director, and City staff for their cooperation and assistance throughout the audit.
- We would especially like to thank Nida as she made every effort to ensure the auditors received the necessary information.

### **Recommendations not included in the Audit Reports**

#### **Management Letters**

Management letters communicate control deficiencies, noncompliance, or abuse with a less-than-material effect on the financial statements or other items significant to our audit objectives. Management letters are referenced, but not included, in the audit report. We noted certain matters that we are communicating in a letter to management related to the annual filing requirements.

#### **Exit Items**

We have provided exit recommendations for management’s consideration. Exit items address control deficiencies or noncompliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

### **Finalizing Your Audit**

#### **Report Publication**

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you by email when audit reports are released or posted to our website. You can sign up for this convenient service at <https://portal.sao.wa.gov/SAOPortal>.

## **Management Representation Letter**

We have included a copy of representations received from management.

## **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$193,700 and actual audit costs will approximate that amount.

## **Your Next Scheduled Audit**

Your next audit is currently in progress, began in January 2026 and will cover the following general areas:

- Accountability for public resources
- Financial statement
- Federal programs

We are working on providing the City with an estimated cost plus travel.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal Single Audit requirements. Federal awards can include grants, loans, and non-cash assistance like equipment and supplies.

## **[Working Together to Improve Government](#)**

### **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.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally, this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center for Government Innovation at the Office of the Washington State Auditor offers services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean process improvement, peer-to-peer networking, and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

## Questions?

Please contact us with any questions about information in this document or related audit reports.

**Tina Watkins, CPA, Director of Local Audit, (360) 260-6411, [Tina.Watkins@sao.wa.gov](mailto:Tina.Watkins@sao.wa.gov)**

**Kristina Baylor, Assistant Director of Local Audit, (425) 951-0290, [Kristina.Baylor@sao.wa.gov](mailto:Kristina.Baylor@sao.wa.gov)**

**Haji Adams, Audit Manager, (425) 900-5277 [Haji.Adams@sao.wa.gov](mailto:Haji.Adams@sao.wa.gov)**

**Ching Kei Priscilla Wong, CPA, Assistant Audit Manager (564) 444-6424 [Ching.Wong@sao.wa.gov](mailto:Ching.Wong@sao.wa.gov)**

**Angela Funamori, Audit Lead, (206) 613-7633, [Angela.Funamori@sao.wa.gov](mailto:Angela.Funamori@sao.wa.gov)**



Memorandum

**Date:** 5/12/2026  
**Meeting of:** City Council Special Meeting

**File No.** SPC 26-040  
**Type:** Verbal Report

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

|         |                |              |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

**DEPARTMENT STAFF:**

|         |               |                         |
|---------|---------------|-------------------------|
| Finance | Haritha Narra | Deputy Finance Director |
| Finance | Nida Hermoso  | Accounting Manager      |

**TITLE:**  
2024 Financial Audit Entrance Conference

**OVERVIEW STATEMENT:**

Staff from the Office of the Washington State Auditor will discuss the scope, timing, and cost of the 2024 Financial Audit.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
In accordance with generally accepted accounting principles, cities over 2,500 in population must have an annual audit.
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

The mission of the Office of the Washington State Auditor is to provide independent and transparent examinations of how state and local governments use public funds and develop strategies that make government more efficient and

effective.

The auditor will perform a financial statement audit to provide an independent opinion on the City's financial statements and results of operations to determine if the financial statements present a reliable, accurate picture of the City's finances.

There was a delay in the timing of the 2024 audit due to the implementation of the City's new Financial System (D365), which went live in July 2023, and the 2024 Financial Audit has a target completion date of May 2026. The delay may also impact the timing of the 2025 audit, but at this time, a delay in the 2025 and subsequent audits is not anticipated.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**

The total cost of the 2024 Financial Audit is estimated to be \$149,213.

**Approved in current biennial budget:**       Yes       No       N/A

**Budget Offer Number:**

297 (Fiscal Accountability)

**Budget Priority:**

Strategic and Responsive

**Other budget impacts or additional costs:**       Yes       No       N/A

**If yes, explain:**

N/A

**Funding source(s):**

General Fund

**Budget/Funding Constraints:**

N/A

**Additional budget details attached**

**COUNCIL REVIEW:**

**Previous Contact(s)**

| <b>Date</b> | <b>Meeting</b>                         | <b>Requested Action</b> |
|-------------|--|-------------------------|
| N/A         | Item has not been presented to Council | N/A                     |

**Proposed Upcoming Contact(s)**

| <b>Date</b> | <b>Meeting</b>   | <b>Requested Action</b> |
|-------------|--|-------------------------|
| TBD         | Special Meeting - 2024 Financial Audit Exit Conference | Receive Information     |

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: City of Redmond 2024 Financial Audit Entrance Conference Overview



## Entrance Conference: City of Redmond

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

### Audit Scope

Based on our planning, we will perform the following audits:

#### **Accountability audit for January 1, 2024 through December 31, 2024**

We will examine the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

Upon completion of our planning procedures, we will select accountability areas to test and notify the City about our selection.

#### **Financial statement audit for January 1, 2024 through December 31, 2024**

We will provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

#### **Federal grant compliance audit for January 1, 2024 through December 31, 2024**

This audit is required by federal law when a local government spends \$750,000 or more annually in federal financial assistance. We will provide an opinion on compliance with federal requirements that could have a direct and material effect on your major federal programs.

We plan to test the following federal programs:

- Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027
- Highway Planning and Construction, ALN 20.205

This report must be submitted, along with the Data Collection Form, to the federal clearinghouse within 30 days after receipt of the report or nine months after the end of the audit period, whichever is earlier.

## **Engagement Letter**

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

## **Levels of Reporting**

### **Findings**

Findings formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

### **Management Letters**

Management letters communicate control deficiencies, non-compliance, misappropriation, or abuse that are less significant than a finding, but still important enough to be formally communicated to the governing body. Management letters are referenced, but not included, in the audit report.

### **Exit Items**

Exit items address control deficiencies, non-compliance with laws or regulations, or errors that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

## **Important Information**

### **Confidential Information**

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

### **Audit Costs**

We are working on providing the City with an engagement letter that will confirm both management and auditor responsibilities, and other engagement terms and limitations. Additionally, the letter will identify the cost of the audit, estimated timeline for completion and expected communications.

### **Expected Communications**

During the course of the audit, we will communicate with Nida Hermoso, Finance Manager on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Nida Hermoso to keep us informed of any such matters.

### **Audit Dispute Process**

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

## **Loss Reporting**

Washington state law requires all state agencies and local governments to immediately notify SAO if staff know or suspect loss of public resources, or of other illegal activity including a cyber-attack if it resulted in a loss of public resources or potentially impacted financial records or systems. State and local government employees should alert us to suspected fraud through the online Report a Suspected Fraud or Loss form below. These notifications can be made on our website at [www.sao.wa.gov/report-a-concern/how-to-report-a-concern/fraud-program](http://www.sao.wa.gov/report-a-concern/how-to-report-a-concern/fraud-program).

## **Peer Reviews of the Washington State Auditor’s Office**

To ensure that our audits satisfy Government Auditing Standards, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at [www.sao.wa.gov/about-sao/who-audits-the-auditor](http://www.sao.wa.gov/about-sao/who-audits-the-auditor). Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

## **Working Together to Improve Government**

### **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 us feedback.

### **Local Government Support Team**

This team provides support services to local governments through the Budget, Accounting, and Reporting System (BARS) and annual online filing technical assistance, provides accounting, reporting and BARS training. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions, updated BARS manuals, access to resources and recorded trainings, and additional accounting and reporting resources. Additionally this team assists with the online filing of your financial statements.

Stay informed on current and upcoming accounting implementations at [https://sao.wa.gov/sites/default/files/bars-files/GASB\\_Accounting\\_Changes.pdf](https://sao.wa.gov/sites/default/files/bars-files/GASB_Accounting_Changes.pdf)

### **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor offers services designed to help you, help the residents you serve at no additional cost to your government. What does this mean? They provide expert advice in areas like building a Lean culture to help local governments find ways to be more efficient, effective and transparent. The Center also provides financial management technical advice and best practices and resources. These can be accessed from the “Improving Government” tab of our SAO website and help you act on accounting standard changes, comply with regulations, protect public resources, minimize your cybersecurity risk and respond to recommendations in your audit. The Center also offers the Financial Intelligence Tool, better known as FIT, to help you assess and monitor your finances and compare your financial operations to other local governments like you. You can email the Center for a personal training session to learn all the benefits using the FIT tool can provide. The Center understands that time is your most precious commodity as a public servant, and wants to help you do more with the limited hours you have. Learn more about how the Center can help you maximize your effect in government at <https://sao.wa.gov/improving-government/center-government-innovation>.

Explore the latest resources in our Resource Library at <https://sao.wa.gov/improving-government/resource-library>.

### **Audit Team Qualifications**

**Tina M. Watkins, CPA, Director of Local Audit** – Tina has been with the Washington State Auditor’s Office since 1994. In her role, she oversees the audit teams that perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board. She served as Assistant Director of Local Audit for 8 years prior to becoming the Director of Local Audit. Phone: (360) 260-6411 or [Tina.Watkins@sao.wa.gov](mailto:Tina.Watkins@sao.wa.gov)

**Kristina Baylor, Assistant Director of Local Audit** - Kristina has been with the Washington State Auditor’s Office since 2005. In her role as Assistant Director, she assists with statewide oversight and management of all the audits for local government. She is also the program manager for housing authorities and water and sewer districts. She served as an Audit Manager for 11 years prior to becoming an Assistant Director of Local Audit. Phone: (425) 951-0290 or [Kristina.Baylor@sao.wa.gov](mailto:Kristina.Baylor@sao.wa.gov)

**Haji Adams, Audit Manager** – Haji has been with the Washington State Auditor’s Office since 2009. During his time with the Office, Haji has been a member of the South King County and North King County teams covering local governments throughout Western Washington. Haji has a wide range of experience auditing cities, school districts, hospital districts, housing authorities, risk pools, fire districts, sewer districts, and water districts. He has performed accountability, federal single audit, and financial statement audits in accordance with the audit plan to ensure Office quality expectations and standards are met. Haji received his Bachelor of Arts degree in Accounting with a minor in Business Administration at Western Washington University. Phone: (425) 900-5277 or [Haji.Adams@sao.wa.gov](mailto:Haji.Adams@sao.wa.gov)

**Ching Kei Priscilla Wong, CPA, CFE, Assistant Audit Manager** – Priscilla has been with the State Auditor’s Office since 2016. During her time with the Office, Priscilla has worked on different teams covering state and local governments throughout the State of Washington. Priscilla has a wide range of experience auditing several different types of local government. Priscilla received her dual Bachelor of Science degrees in Accounting and Business Administration with a concentration in Supply Chain Management from Central Washington University. Phone: (564) 444-6424 or [Priscilla.Wong@sao.wa.gov](mailto:Priscilla.Wong@sao.wa.gov)

**Angela Funamori, Audit Lead** – Angela graduated from Central Washington University with a bachelor’s degree in accounting and has been with the State Auditor’s Office since 2017. In her role as an Assistant State Auditor, she has worked on the financial statement, federal grant compliance, and accountability audits for local governments throughout King County. Angela has experience auditing air pollution districts, cities, counties, housing authorities, ports and school districts. Angela also serves as one of the team's fraud specialists. Phone: (206) 613-7633 or [Angela.Funamori@sao.wa.gov](mailto:Angela.Funamori@sao.wa.gov)