



**Office of the Washington State Auditor**  
**Pat McCarthy**

## **Accountability Audit Report**

# **Southwest Snohomish County Public Safety Communication Agency (SNOCOM)**

**For the period January 1, 2014 through December 31, 2015**

**Published May 22, 2017**

**Report No. 1019043**





**Office of the Washington State Auditor**  
**Pat McCarthy**

May 22, 2017

Board of Directors  
SNOCOM  
Mountlake Terrace, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Agency operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Agency's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

In most areas we audited, Agency operations complied with applicable requirements and provided adequate safeguarding of public resources. The Agency also complied with state laws and regulations and its own policies and procedures in the areas we examined.

However, we noted certain matters that we communicated to Agency management in a letter dated May 15, 2017, related to cash receipting. We appreciate the Agency's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of the SNOCOM from January 1, 2014 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Agency's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

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 fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cash receipting
- Self-insurance
- Financial condition

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **SNOCOM** **Snohomish County** **January 1, 2014 through December 31, 2015**

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of SNOCOM. The State Auditor's Office has reviewed the status as presented by the Agency.

<b>Audit Period:</b> 1/1/2012-12/31/2013	<b>Report Ref. No:</b> 1012738	<b>Finding Ref. No:</b> 2013-001
<b>Finding Caption:</b> The Agency did not deposit cash receipts within 24 hours as required and lacks adequate internal controls over cash receipting.		
<b>Background:</b> In 2012 and 2013, the Agency receipted \$5,613,811 and \$5,164,309 in checks, respectively. During the previous audit, we recommended that the Agency ensure it deposits its checks within 24 hours as required by state law.  The Agency did not make it a priority to ensure checks are safeguarded by depositing them within 24 hours. Additionally, the Agency did not allocate enough resources to ensure that someone independent of the receipting process verifies the revenues upon receipt.		
<b>Status of Corrective Action: (check one)</b> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Fully Corrected         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Partially Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Not Corrected         </div> <div style="text-align: center;"> <input type="checkbox"/> Finding is considered no longer valid         </div> </div>		
<b>Corrective Action Taken:</b> <i>The following information was provided to us by Sharon Brendle, Administrative Assistant on December 14, 2016:</i> <ol style="list-style-type: none"> <li>a. <i>The Agency now has policies and procedures in place to ensure all checks are deposited timely with its treasurer, per agreement with City of Mountlake Terrace. The policy now describes the 24 hour deposit waiver with the city.</i></li> <li>b. <i>The agency received a waiver with the City of Mountlake Terrace so deposits do not need to be received within 24 hours, but they do need to be received within 7 days, per the waiver. Our practice has been to deposit checks the next day following receipt.</i></li> <li>c. <i>Revenues received through the mail are now verified by 2 administrative staff members upon opening. This information is recorded in our check log. This is now included in the SNOCOM Administrative policy, as well.</i></li> </ol>		

## RELATED REPORTS

### **Financial**

Our opinion on the Agency's financial statements is provided in a separate report, which includes the Agency's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

That report includes a finding for a significant deficiency in internal controls over financial reporting regarding financial statement preparation.

## INFORMATION ABOUT THE AGENCY

Southwest Snohomish County Public Safety Communications Agency (SNOCOM) is a Washington Non-Profit Corporation. In addition, it is a governmental interlocal agency and quasi-municipal corporation. The Interlocal Agreement signed by the participating agencies constitutes their charter and is their constitution.

SNOCOM's 11-member Board then adopts by-laws for operation of the governing board consistent with the powers given it in the Interlocal Agreement which is governed by RCW 39.34.010-920. SNOCOM's funding comes from the State E911 office disbursed through Snohomish County Enhanced 911 office, as well as assessments paid by the agencies and entities it serves.

Contact information related to this report	
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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the SNOCOM at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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