



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

**Accountability Audit Report**  
**Yakima County Fire Protection**  
**District No. 2**

**For the period January 1, 2014 through December 31, 2016**

**Published January 22, 2018**

**Report No. 1020659**





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

January 22, 2018

Board of Commissioners  
Yakima County Fire Protection District No. 2  
Selah, 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 District 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 District'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

## TABLE OF CONTENTS

Audit Summary .....	4
Schedule Of Audit Findings And Responses .....	5
Information About The District .....	7
About The State Auditor’s Office .....	8

## AUDIT SUMMARY

### Results in brief

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

However, we identified areas in which the District could make improvements.

We recommended the District establish the necessary internal controls to ensure accurate, complete and timely financial reporting in accordance with state law.

These recommendations were included in our report as a finding.

### About the audit

This report contains the results of our independent accountability audit of Yakima County Fire Protection District No. 2 from January 1, 2014 through December 31, 2016.

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 District'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:

- General disbursements
- Bid law
- Payroll
- Billings and cash receipting
- Open Public Meetings Act
- Financial reporting

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

**2016-001    The District's internal controls over annual report filing are inadequate to ensure annual reports are submitted timely to the State Auditor's Office in accordance with state laws.**

### ***Background***

A three-member Board governs the Yakima County Fire Protection District No. 2. A Fire Chief oversees daily operations. The District operates on a yearly budget of approximately \$1 million.

District management, the state Legislature, state and federal agencies rely on financial statement information to make decisions. It is the responsibility of management to design and follow internal controls that provide reasonable assurance regarding the reliability of financial reporting.

### ***Description of Condition***

State law (RCW 43.09.230) requires local governments to submit annual financial reports to our Office within 150 days of the end of the agency's fiscal year.

The District did not adequately monitor operations to ensure annual reports for 2014, 2015 and 2016 were filed with our Office by the statutory deadline.

### ***Cause of Condition***

Staff responsible for annual report filing did not have the expertise to prepare the required schedules and the District did not make it a priority to obtain training or outside assistance.

### ***Effect of Condition***

The District did not file the 2014, 2015 and 2016 annual financial reports until October 2017, making them 28, 16 and four months late, respectively.

We reported similar concerns in a letter to management during the prior audit.

### ***Recommendation***

We recommend the District establish the necessary internal controls to ensure accurate, complete and timely financial reporting in accordance with state law.

### ***District's Response***

*The Yakima County Fire District #2 Board of Commissioners acknowledges the audit findings regarding internal controls over annual report filing. We recognize that annual financial reports were not filed on time. However they have been completed and are up to date at this time. The board will implement internal controls to ensure that the district secretary has/will have the reports filed accurately and on time. To ensure this, every May the filing status and report will be added to the board meeting agenda to be reviewed by the fire district commissioners.*

### ***Auditor's Remarks***

We appreciate the District's commitment to resolve this finding and thank the District for its cooperation and assistance during the audit. We will review the corrective action taken during our next audit.

### ***Applicable Laws and Regulations***

RCW 43.09.230, Local government account, Annual reports, requires every local government to submit financial reports within one hundred fifty days after the close of each fiscal year.

## INFORMATION ABOUT THE DISTRICT

Yakima County Fire Protection District No. 2 operates under a Board of three elected Commissioners. The District was formed in 1946 and covers 65 square miles from the Yakima Training Center to Lookout Point and Selah Heights, and includes the Wenas Valley.

The District entered into a joint operating agreement with the City of Selah to provide fire protection and emergency medical services to the unincorporated areas of Selah. The City of Selah employs six full-time staff members and approximately 50 volunteers, who are assigned to the City's fire station and the District's three fire stations. Daily operations are conducted by the City's Fire Chief. Other officers and support staff are supervised by the City of Selah and the District Commissioners. The District operates on a \$1,100,000 budget.

Contact information related to this report	
Address:	Yakima County Fire Protection District No. 2 206 W. Fremont Avenue Selah, WA 98942
Contact:	Shelly Bartlett, District Secretary
Telephone:	(509) 654-0880

*Information current as of report publish date.*

## Audit history

You can find current and past audit reports for Yakima County Fire Protection District No. 2 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>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>