



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

## **Accountability Audit Report**

# **Board of Volunteer Firefighters and Reserve Officers**

**For the period July 1, 2016 through June 30, 2018**

**Published October 15, 2018**

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

October 15, 2018

Board of Trustees  
Board of Volunteer Firefighters and Reserve Officers  
Olympia, 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 Board 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 independent audit report on the Board's compliance with applicable requirements and safeguarding of public resources for the 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 RESULTS

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, except as described below, Board operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we noted certain matters that we communicated to Board management and Board of Trustees in a letter dated October 4, 2018, related to the pension tracking system. We appreciate the Board's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of the Board of Volunteer Firefighters and Reserve Officers from July 1, 2016 through June 30, 2018.

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.

This audit was conducted under the authority of RCW 43.09.310, which requires the Office of the State Auditor to examine the financial affairs of all state agencies. Our audit involved performing procedures to obtain evidence about the Board's use 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, based on our risk assessment for the years ended June 30, 2018 and 2017, 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 – Ensured funds were properly receipted, posted, and deposited.
- Pension Disbursements – Tested to ensure payments were properly prepared, approved, calculated, and reviewed by the appropriate employees.
- Provider Disbursements – Determined if amounts paid were properly documented, appropriate approvals were obtained, approved rates were used, and a formal report of accident was on file.

## INFORMATION ABOUT THE BOARD

The Board of Volunteer Firefighters and Reserve Officers (the Board) administers the Volunteer Firefighters' and Reserve Officers' Relief and Pension Act (under RCW 41.24) to more than 80,000 members and retirees.

The 2015-2017 and 2017-2019 biennium budgets for the Board were approximately \$1 million. The Board has five Board members, at least three of whom are not receiving relief or retirement pension payments. No two Board members may be from the same congressional district. Board members are appointed by the Governor to serve overlapping, six-year terms.

The Board is located in Olympia, Washington and has no other field offices. The Board appoints an Executive Secretary to handle day-to-day responsibilities of administering the Act. Under the direction of the Executive Secretary there are three additional employees to assist with these responsibilities.

Since the Board is responsible for administering the Volunteer Firefighters' and Reserve Officers' Relief and Pension Act exclusively, its primary business is collecting pension contributions and distributing pension benefits to members. The Board is also responsible for providing worker's compensation benefits, collecting fees and distributing benefits. Nearly 100 percent of the Board's revenue sources are from employer and member pension contributions and more than 95 percent of this revenue is distributed for pension benefits.

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*Information current as of report publish date.*

## Audit history

You can find current and past audit reports for the Board of Volunteer Firefighters and Reserve Officers 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.

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