



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Shoreline Fire Department

For the period January 1, 2017 through December 31, 2017

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

January 19, 2019

Board of Commissioners
Shoreline Fire Department
Shoreline, 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 Department 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 Department'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 those selected areas, Department operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

About the audit

This report contains the results of our independent accountability audit of Shoreline Fire Department from January 1, 2017 through December 31, 2017.

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 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Department'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, based on our risk assessment for the year ended December 31, 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:

- Financial condition
- Procurement – compliance with purchases awarded via sole source
- Payroll – compliance with overtime policy, approval of overtime, and overtime pay calculations
- Controls over credit cards – review of Department policy to ensure compliance with state statutes and adequate safeguarding of public resources.
- Conflict of interest – compliance with disclosures for elected officials



Shoreline Fire Department
Dedicated to the Protection of Life and Property
Serving the Shoreline Community for Over 75 years, since 1939

FIRE CHIEF
Matt Cowan

COMMISSIONERS
Ken Callahan Rod Heivilin
Kim Fischer Jon Kennison
David Harris

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Shoreline Fire Department January 1, 2017 through December 31, 2017

This schedule presents the status of findings reported in prior audit periods.

Audit Period: January 1, 2016 through December 31, 2016	Report Ref. No.: 1020241	Finding Ref. No.: 2016-001
Finding Caption: The Department did not verify purchases made through its purchasing cooperative complied with the state laws and regulations.		
Background: In 2016, Shoreline Fire Department entered into a purchasing cooperative to purchase a ladder truck totaling \$1,187,500. However, the Department did not ensure the procurement process used by the purchasing cooperative complied with Washington bid requirements. The purchasing cooperative selected a vendor using a request for proposal process, rather than a formal competitive bidding process in which the lowest responsible bidder would receive the award.		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Corrective Action Taken:</i> <ol style="list-style-type: none"><i>The Department is in the process of reviewing and revising the financial policy to include a check off list for all purchases over \$10,000. It is anticipated this check list will be available in January 2019.</i><i>Through internal email communications, employee making purchases over \$10,000 have been given direction to contact the Finance Manager and/or Administrative Director prior to any purchase commitment with vendors.</i><i>The Department will soon be migrating to a new purchase request system. In this system, all purchase requests over \$10,000 will need to be reviewed and approved by Finance Manager and/or Administrative Director.</i>		

4. *On an ongoing basis, employees are expected to work closely with the Finance Manager and Administrative Director to ensure all purchases with certain threshold are within compliance before committing to any projects.*
5. *The Department has changed procedures so that executive level staff shall be the leads for major purchases, such as apparatus, not lower level employees.*

RELATED REPORTS

Financial

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

INFORMATION ABOUT THE DEPARTMENT

King County Fire Protection District No. 4 was formed in 1939 and now operates as Shoreline Fire Department. The Department serves a population of approximately 57,000 citizens within the City of Shoreline of approximately 14 square miles. In addition, the ALS program serves the cities of Bothell, Kenmore, Lake Forest Park, and a portion of Woodinville with an additional population of 75,000 in an area of approximately 22 square miles. The Department provides 24-hour coverage for fire suppression, technical rescue, emergency medical and advanced life support, fire prevention and education, fire investigations, inspections and code compliance to its service area.

An elected, five-member Board of Commissioners governs the Department. The Board appoints a Fire Chief to oversee the Department's daily operations as well as its 120 employees. In fiscal year 2017, the Department operated on an annual budget of about \$26.2 million.

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 Shoreline Fire Department 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	
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