



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Snohomish County Fire Protection District No. 23

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

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February 12, 2018

Board of Commissioners
Snohomish County Fire Protection District No. 23
Granite Falls, 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

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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 governing body allocate the attention and resources necessary to complete future annual reports in accordance with state law.

These recommendations were included in our report as a finding.

We also noted certain matters that we communicated to District management in a letter dated January 26, 2018, related to general disbursements and banking activity. We appreciate the District's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of Snohomish County Fire Protection District No. 23 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:

- Annual reporting
- Disbursements
- Open Public Meetings Act
- Banking activity

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

2016-001 The District's internal controls over accounting and financial statement preparation were inadequate to ensure compliance with state reporting requirements.

Background

The Board of Commissioners, management, state and federal agencies, and the public rely on the information included in the financial statements and reports to make decisions. The District is responsible for designing and following internal controls that provide reasonable assurance regarding the preparation of financial reporting. State law (RCW 43.09.230) requires the District to submit an annual financial report to our Office no later than 150 days after the end of the District's fiscal year. The annual financial report includes financial statements, supporting schedules and notes to the financial statements. The District received a finding in 2013 for not filing an annual report for fiscal years 2011, 2012 or 2013 as required.

Description of Condition

The District did not take appropriate action to prepare or submit the required annual reports for fiscal years 2014, 2015 and 2016 as required by state law.

Cause of Condition

District management did not establish procedures to ensure that required annual reports were prepared and submitted. The District staff did not know how to submit the reports online and was unaware of the resources the State Auditor's Office provides to help with online filing.

Effect of Condition

Without adequate financial information to review, the District is unable to assess financial condition, make sound business decisions, detect significant issues or identify possible misappropriation. In addition, this limits access to financial and other information that could be used by District officials, the public, state and federal agencies and other interested parties.

Recommendation

We recommend the governing body allocate the attention and resources necessary to complete future annual reports in accordance with state law.

District's Response

It has come to the attention of SCFPD #23 Board of Commissioners that we have failed to be compliant with RCW 43.09.230 in providing annual financial reports to WA State Auditor's Office for the years 2014, 2015, and 2016 as required.

The Chairman of the Board will be submitting a motion, at the next scheduled monthly Commissioner meeting, to pass a resolution requiring our District to submit the required annual reports in the future, no later than 150 days after the end of the District's fiscal year.

The Chairman of the Board has directed the District Secretary to complete the annual reports and present the full reports to the Board of Commissioners no later than the scheduled monthly February meetings. The Board of Commissioners will review and approve the annual reports for online filing.

Auditor's Remarks

We appreciate the District's commitment to resolving the matters identified during the audit and thank District personnel for their assistance and cooperation during the current audit.

We will follow-up on the status of the audit finding during the next audit.

Applicable Laws and Regulations

RCW 43.09.230, states in part:

The state auditor shall require from every local government financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the state auditor, which shall be uniform for all accounts of the same class.

Such reports shall be prepared, certified, and filed with the state auditor within one hundred fifty days after the close of each fiscal year.

The reports shall contain accurate statements, in summarized form, of all collections made, or receipts received, by the officers from all sources; all accounts due the public treasury, but not collected; and all expenditures for every purpose, and by what authority authorized; and also: (1) A statement of all costs of ownership and operation, and of all income, of each and every public service industry owned and operated by a local government; (2) a statement of the entire public debt of every local government . . .

(3) a classified statement of all receipts and expenditures by any public institution . . . together with such other information as may be required by the state auditor.

RCW 43.09.260, states in part:

The examination of the financial affairs of all local governments shall be made at such reasonable, periodic intervals as the state auditor shall determine . . . On every such examination, inquiry shall be made as to the financial condition and resources of the local government; whether the Constitution and laws of the state, the ordinances and orders of the local government, and the requirements of the state auditor have been properly complied with; and into the methods and accuracy of the accounts and reports.

Our Office is required by statute to prepare and distribute a report on the results of our audit. Accordingly, this disclaimer will be published on our website as our finding regarding Snohomish County Fire Protection District No. 23 for the period January 1, 2014 through December 31, 2016.

INFORMATION ABOUT THE DISTRICT

Snohomish County Fire Protection District No. 23 is a volunteer organization dedicated to providing medical and fire emergency response services to the Robe Valley community near Granite Falls.

An elected, three-member Board of Commissioners governs the District. The District's total expenditures were approximately \$48,000, \$55,000 and \$33,000 in 2014, 2015 and 2016, respectively.

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 Snohomish County Fire Protection District No. 23 at <http://portal.sao.wa.gov/ReportSearch>. The District did not receive an audit for the 2011, 2012 and 2013 fiscal years because it did not submit the required annual financial reports with our Office.

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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