



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Pierce County Fire Protection District No. 13

(Brown's Point/Dash Point Fire Department)

For the period January 1, 2016 through December 31, 2018

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

January 21, 2020

Board of Commissioners
Brown's Point/Dash Point Fire Department
Tacoma, 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 independent audit report on the District'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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

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, District 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 Brown's Point/Dash Point Fire Department from January 1, 2016 through December 31, 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 43.09.260, 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 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, based on our risk assessment for the years ended December 31, 2018, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Fuel card – monitoring of fuel use
- Accounts payable – debit/credit cards
- Cash/Check Receipting – timeliness and completeness of deposits, voids and adjustments



**BROWNS POINT / DASH POINT FIRE DEPARTMENT
PIERCE COUNTY FIRE DISTRICT #13**

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**Brown's Point/Dash Point Fire Department
January 1, 2016 through December 31, 2018**

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

Audit Period: 2013-2015	Report Ref. No.: 1018561	Finding Ref. No.: 2015-001
Finding Caption: The District does not have adequate internal controls over cash receipting, increasing the risk that undetected errors or potential misappropriation could occur.		
Background: The District did not have written policies and procedures for cash receipting. Policy and procedures should include recording, depositing and monthly reconciliation which were not occurring timely. Further, the district was using generic receipts and not consistently retaining the receipt books or documentation for CPR cards and or class rosters.		
Status of Corrective Action: (check one) <input checked="checked" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Pierce County Fire District 13's Response to SAO Audit Report</i> <i>Our Fire District views these audits as a part of our continuing quality improvement process meant to improve our operations and the safety of public funds. Our goal was to identify areas in our policies and procedures that need improvement and fix them immediately. This is what we accomplished during this audit. Our policies and procedures were changed immediately making us a better Fire District.</i> <i>The audit identified six areas and made five excellent recommendations to improve our operation.</i> Updating written control policies specifying cash receipting, handling, and deposit procedures. <i>Our cash receipting policy was revised in mid 2015. At that time we started writing a hand receipt for every check or cash sale that was received as well as all donations received even if</i>		

anonymously made. As identified in this audit, we updated the policy by creating a register of these receipts that was reconciled every month and balanced to the receipt books. We made further improvements by adding a training component to train our members in the proper handling of cash receipts.

Using pre-printed, pre-numbered receipts unique to the District for all payments received, and retain all receipt books in accordance with records retention regulations.

Before the audit was complete, we placed an order for three part, pre-printed, pre-numbered receipt books with our District name, address and phone number. These books are a controlled item and kept in a secure location. A register of each receipt issued is maintained separately and reconciled monthly. The receipt books will be checked out to an individual at classes or fund raising activities and reconciled with the cash amounts when it is checked back in. A copy of each receipt will be attached to the deposit record as part of the support documentation.

Reconciling CPR cards issued at trainings to class rosters and training files collected. Further, retaining support, including class rosters, for reconciliations performed.

CPR instructors now have to sign out the required number of CPR cards and receipt book to teach a class. Upon completion of the class the instructor must present a completed class roster, with the amounts paid registered on the roster, the receipt books with the permanent copies matching the roster, and the exact number of unused cards not issued at the class. All must balance. A copy of the class roster will be attached to the deposit record and retained as required by the retention statutes.

Performing reconciliation of receipts to deposits made at the County Treasurer to ensure all payments are accounted for.

At the time of the audit, the deposit report issued by the County Treasurer was attached with all supporting documentation to a voucher. The voucher and its supporting documentation was reviewed by the Board of Commissioners at an open public meeting and approved. This deposit record was retained in a file cabinet for two years then transferred into banker boxes for storage. During this storage period, some of the support documentation got separated which made reconciliation of several deposits during the audit problematic. It became apparent that the safeguarding of this support documentation was paramount to our records retention. We retain our vouchers in three ring notebooks protected by plastic sleeves. We decided that the support documentation for the deposit vouchers should be protected in the same way. We placed every piece of support documentation from the files and put them into protective sleeves along with the vouchers retroactively back to 2013.

Deposit receipted monies once every 24 consecutive hours or obtain a waiver from the County Treasurer to allow for weekly deposits.

We immediately applied for a waiver and was granted permission to make weekly deposits.

In closing, we have made a concerted effort to improve those areas identified in this audit. We have met with the Secretary of States Regional Archivist to assist us in improving our records retention process. Administrative personnel have already attended training on records retention

and our revised policies. All improvements to our controls were communicated to the auditor at the exit conference. We thank the State Auditor's Office for their assistance in our continuing quality improvement process.

Sincerely yours,

Cliff McCollum

Fire Chief

INFORMATION ABOUT THE DISTRICT

Browns Point/Dash Point Fire Department provides 24-hour emergency medical and fire suppression services to approximately 5,000 citizens in Pierce County. The District operates two fire stations that cover approximately 5 square miles.

An elected, three-member Board of Commissioners governs the District. Board Members serve staggered, six-year terms. The Board appoints a Fire Chief to oversee the District's daily operations as well as its approximately 40 volunteers. For the years 2016, 2017 and 2018, the District had annual budgets of \$502,997, \$758,697 and \$852,043, respectively.

Contact information related to this report

Address:	Brown's Point/Dash Point Fire Department 4815 Wa Tau Ga Avenue N.E. Tacoma, WA 98422
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Information current as of report publish date.

Audit history

You can find current and past audit reports for Brown's Point/Dash Point 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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