



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Snohomish County Fire Protection District No. 27

For the period January 1, 2020 through December 31, 2022

Published August 3, 2023

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Office of the Washington State Auditor Pat McCarthy

August 3, 2023

Board of Commissioners
Snohomish County Fire Protection District No. 27
Everett, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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.

Attached is 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 value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Snohomish County Fire Protection District No. 27 from January 1, 2020 through December 31, 2022.

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 Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2022, 2021 and 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements, employee reimbursements and approval of related party payments
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Procurement – public works and professional services
- Annual report filing – timeliness and completeness
- Financial condition – reviewing for indications of financial distress



SNOHOMISH COUNTY F.P.D.#27

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Snohomish County Fire Protection District No. 27 January 1, 2020 through December 31, 2022

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

Audit Period:	Report Ref. No.:	Finding Ref. No.:
01/01/2017 – 12/31/2019	1026857	2019-001
Finding Caption: The District did not comply with the Open Public Meetings Act and Code of Ethics for Municipal Officers.		
Background: We examined the District's compliance with the Open Public Meetings Act and identified the following issues of non-compliance: <ul style="list-style-type: none">• The District conducted business outside of a public meeting and with a quorum of commissioners present in February, May, and August 2019. During these meetings where the public did not have the opportunity to participate, the Commissioners inappropriately approved payment vouchers totaling \$72,054, primarily for a fire station remodel.• The District did not maintain meeting minutes for a special meeting held in May 2019. Additionally, District Commissioner positions No. 2 and No. 3 are occupied by a married couple. While it is allowable for members of a governing body to be related and recuse themselves from items that might represent a conflict of interest, we noted one instance where day labor work was performed by Commissioner No. 2, and all three Commissioners approved a payment totaling \$500. Although the payment amount was below the monthly allowable limit a commissioner can receive from a beneficial interest, it was not allowed to be approved by the Board of Commissioners because two of three Commissioners would be required to recuse themselves from the approval process. Because a single Commissioner may not approve payments on their own, the District cannot approve payments to the related Commissioners.		

Status of Corrective Action: (check one)

☒ Fully Corrected ☐ Partially Corrected ☐ Not Corrected ☐ Finding is considered no longer valid

Corrective Action Taken:

We have all meetings posted on the HICA website as we do not have our own website. For any meetings outside the regularly scheduled meetings, we post a notice on the fire station door at least 48 hours prior to the meeting. We no longer have commissioners work on the fire station for pay.

Audit Period: 01/01/2017 – 12/31/2019	Report Ref. No.: 1026857	Finding Ref. No.: 2019-002
Finding Caption: The District did not have adequate internal controls in place to safeguard public resources and ensure disbursements complied with state bid laws.		
Background: The District began a fire station remodel project in fiscal year 2017, with architecture and engineering (A&E) services and construction costing \$197,973. The District did not comply with competitive negotiation for A&E services or with state competitive bid laws applicable to the project. Additionally, the District has not designed effective internal controls and monitoring practices to ensure public funds are adequately safeguarded and spent on allowable activities, in accordance with state laws. Specifically, our audit found that the District: <ul style="list-style-type: none"> • Has not established consistent processes over several key disbursement areas, including general purchase thresholds, use of competitive bidding, credit card usage, travel and others • Did not consistently keep supporting documentation and could not show that 30 of the 261 disbursements tested were valid • Did not have contracts in place for services such as vehicle maintenance, project management, engineering and design, and secretary services. Without service contracts, the District cannot ensure it receives the services it paid for and at the agreed upon price. 		
Status of Corrective Action: (check one) <div> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid </div>		
Corrective Action Taken: <i>We had any contractors sign contracts. We no longer use credit cards. We longer have a secretary. Commissioner Chair Duan Tinius takes all meeting notes and prepares all reports. All payments are made from invoices only.</i>		

INFORMATION ABOUT THE DISTRICT

Snohomish County Fire Protection District No. 27 is a volunteer organization dedicated to providing medical and fire emergency response services to the Hat Island community near Everett.

An elected, three-member Board of Commissioners governs the District. The District is funded primarily by property taxes.

Contact information related to this report	
Address:	Snohomish County Fire Protection District No. 27 P.O. Box 1846 Everett, WA 98206
Contact:	Duan Tinius, Commissioner
Telephone:	(360) 444-6886

Information current as of report publish date.

Audit history

You can find current and past audit reports for Snohomish County Fire Protection District No. 27 at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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