



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

King County Fire Protection District No. 31

For the period January 1, 2018 through December 31, 2019

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

May 28, 2024

Board of Commissioners
King County Fire Protection District No. 31
Auburn, 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 was the first audit of the District following our report on unauditable government for the period January 1, 2018 through December 31, 2019.

This report describes the overall results and conclusions for the areas we examined.

As referenced above, we identified areas where the District could make improvements. These recommendations are included with our report as a finding.

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 King County Fire Protection District No. 31 from January 1, 2018 through December 31, 2019.

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, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Annual report filing – timeliness and completeness
- Compliance with established agreements
- Payroll – commissioner compensation
- Accounts payable – general disbursements
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

King County Fire Protection District No. 31 January 1, 2018 through December 31, 2019

2019-001 The District's internal controls were inadequate to comply with the Open Public Meetings Act and statutory financial reporting requirements to demonstrate accountability for its operations.

Background

The Board of Commissioners, state and federal agencies, and the public rely on the information included in financial reports to make decisions. The District is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance regarding the reliability of financial reporting. The District's three-member Board is responsible for operations and compliance with state laws.

State law (RCW 43.09.230) requires local governments in Washington to provide a summary of its financial activity to our Office each year within 150 days of its fiscal year end. State law (RCW 43.09.260) also requires the State Auditor to examine the financial affairs of every local government at least once every three years.

The District is subject to the State's Open Public Meetings Act (Act), which requires the District to record minutes for all public meetings, except executive sessions, and to make those minutes available to the public upon request.

The District has received three disclaimer letters as a result of not filing its annual report with our Office for fiscal years 2010 through 2017.

Description of Condition

The District did not take appropriate action to prepare or submit required annual reports within 150 days after its fiscal year end for fiscal years 2018 and 2019. The District did not submit annual reports or respond to subsequent requests for information for the years prior to 2018. As of the date of this report, the District has not filed its annual reports for fiscal years 2020, 2021, and 2022.

Additionally, the District did not take meeting minutes to document its discussions and decisions for all but one meeting in 2018 and 2019.

Cause of Condition

The District did not dedicate the necessary resources to ensure it submitted its annual reports on time, or at all. Additionally, the Board did not take adequate steps to ensure meeting minutes were recorded and retained to demonstrate compliance with the Open Public Meeting Act.

Effect of Condition

The District filed its 2018 and 2019 annual reports 470 and 72 days late, respectively. The District did not file for any years prior to 2018 and has not filed its annual reports for 2020 through 2022. As a result, we could not conduct audits for those years as required by state law (RCW 43.09.260). Failure to submit financial reports limits access by the public, state and federal agencies, and other interested parties to financial and other information about the District. Additionally, without submitting required reports or responding to our audit inquiries and requests for financial documentation, the District cannot demonstrate accountability for its operations.

The intent of the Open Public Meetings Act is to ensure citizens have access to the deliberations and actions of government. Because no minutes were retained in 2018 and 2019, the District has no official record of what business was conducted and the public does not know what took place at District meetings. Board actions not in compliance with the Act may not be considered valid. Additionally, without this documentation, the District cannot demonstrate the Board approved the District's \$16,000 in expenditures.

Recommendation

We recommend the District take steps to prepare and submit timely annual financial reports to our Office. We encourage Commissioners to contact our Office for any assistance needed in meeting these reporting requirements.

We recommend the District record minutes that contain sufficient information to document the official actions of the Board and to demonstrate compliance with the Act's requirements, including approval of voucher payments in an open public meeting, as required by state law.

District's Response

Technical issues with previous commissioner's computer.

New commissioner and new computer have been acquired.

Auditor's Remarks

We thank the District for its cooperation throughout the audit and the steps it is taking to address these concerns. We will review the status of the Fire District's corrective action during our 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.

RCW 42.30.035 states:

The minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.

INFORMATION ABOUT THE DISTRICT

King County Fire Protection District No. 31 provides fire, rescue and EMS services to the city of Auburn.

An elected, three-member Board of Commissioners governs the District. The District received property tax revenues of approximately \$16,500 and \$20,000 in fiscal years 2018 and 2019 respectively.

Contact information related to this report	
Address:	King County Fire Protection District No. 31 208 31st Street S.E. Auburn, WA 98002
Contact:	Gerry Bertellotti, Commissioner
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Information current as of report publish date.

Audit history

You can find current and past audit reports for King County Fire Protection District No. 31 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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