

Washington State Auditor's Office
Accountability Audit Report

**Island County Fire Protection District
No. 5
(Central Whidbey Island Fire and
Rescue)**

Report Date
December 10, 2012

Report No. **1009511**

Issue Date
April 22, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

April 22, 2013

Board of Commissioners
Central Whidbey Island Fire and Rescue
Coupeville, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Central Whidbey Island Fire and Rescue's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

A handwritten signature in black ink that reads "Troy X. Kelley".

**TROY KELLEY
STATE AUDITOR**

Table of Contents

Central Whidbey Island Fire and Rescue
Island County
December 10, 2012

Audit Summary	1
Description of the District	2

Audit Summary

Central Whidbey Island Fire and Rescue Island County December 10, 2012

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Central Whidbey Island Fire and Rescue from January 1, 2009 through December 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

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 noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Safeguarding of assets
- Credit cards
- Bid law
- Open Public Meetings Act

RESULTS

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

Description of the District

Central Whidbey Island Fire and Rescue Island County December 10, 2012

ABOUT THE DISTRICT

Island County Fire Protection District No. 5, doing business as Central Whidbey Island Fire and Rescue, serves a 50 square-mile area of Whidbey Island from Penn Cove to the north end of Freeland, with a population of 10,000 citizens. The District provides emergency services in the form of fire suppression, emergency medical service at the basic life support level, marine rescue and high angle rescue. The District operates three fire stations.

An elected, three-member Board of Commissioners governs the District. The Board appoints a Fire Chief to oversee the District's daily operations as well as its eight full-time and seven part-time employees and 20 volunteer firefighters and emergency medical technicians. For fiscal years 2009, 2010 and 2011, the District received annual revenue of approximately \$1.3 million, \$1.5 million and \$1.5 million, respectively.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Commissioners:

Tom Smith, Chair
Paul Messner
Cheryl Engle

APPOINTED OFFICIALS

Fire Chief

Ed Hartin

DISTRICT CONTACT INFORMATION

Address: Central Whidbey Island Fire and Rescue
1164 Race Road
Coupeville, WA 98239-4013

Phone: (360) 678-3602

Website: www.cwfire.org

AUDIT HISTORY

We audit the District every three years. This audit marked the fourth consecutive audit no findings were reported for the District.



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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

State Auditor
Chief of Staff
Director of State and Local Audit
Director of Performance Audit
Deputy Director of State and Local Audit
Deputy Director of State and Local Audit
Deputy Director of State and Local Audit
Deputy Director of Quality Assurance
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

Troy Kelley
Doug Cochran
Chuck Pfeil, CPA
Larisa Benson
Kelly Collins, CPA
Jan M. Jutte, CPA, CGFM
Sadie Armijo
Barb Hinton
Mike Murphy
Mary Leider
(360) 902-0370
(866) 902-3900

Website
Subscription Service

www.sao.wa.gov
<https://www.sao.wa.gov/EN/News/Subscriptions>



Central Whidbey Island Fire & Rescue Entrance Conference December 4, 2012

**Washington
State Auditor
Brian Sonntag**

**Director of State
and Local Audit
Chuck Pfeil**
(360) 902-0366
Chuck.Pfeil@sao.wa.gov

**Deputy Director
Kelly Collins**
(360) 725-5359
Kelly.Collins@sao.wa.gov

**Audit Manager
Casey Dwyer**
(425) 257-2137
Casey.Dwyer@sao.wa.gov

**Audit Supervisor
Courtney
Amonsén**
(425) 257-2137.
Courtney.Amonsén@sao.wa.gov

**Audit Lead
Mark Aardal**
(425) 257-2137
Mark.Aardal@sao.wa.gov

www.sao.wa.gov

Twitter:
[@WASStateAuditor](https://twitter.com/WASStateAuditor)

About Our Office

We independently serve the citizens of Washington by promoting accountability, fiscal integrity, openness in government and the efficient and effective use of public resources.

Audit

State law requires our Office to examine the financial affairs of all local governments. We consider several factors as we determine the frequency and type of audit to conduct. These include assessing the Fire District's annual revenues, federal expenditures, significant issues found in prior audits, bond covenants and state laws and regulations. We also strive to meet any other audit needs expressed to us by local governments.

Investigations

We also investigate potential frauds reported to our Office and examine some citizen concerns. Local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website. We determine which citizen concerns we will look at based on their seriousness and our available resources.

Support Services

We provide support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website offers many resources, including a client HelpDesk that answers auditing and accounting questions.

Your Audit

Based on preliminary planning and your audit needs, we will perform the following audit for fiscal year's 2009, 2010 and 2011:

- Accountability audit

Other Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws, such as HIPAA.

Audit Costs

The cost of the audit is estimated to be approximately \$5,025, plus travel expenses.

Expected Communications

We will communicate any difficulties encountered or significant changes in our planned audit scope to Ed Hartin, Fire Chief. Also, preliminary recommendations will be shared as they are developed.

Please let us know if there are any recent events or transactions that we should consider.



Island County Fire Protection District No. 5 Exit Conference April 8, 2013

**Washington
State Auditor
Troy Kelley**

**Director of State
and Local Audit
Chuck Pfeil**

(360) 902-0366

Chuck.Pfeil@sao.wa.gov

**Deputy Director
Sadie Armijo**

(360) 676-2165

Sadie.Armijo@sao.wa.gov

**Audit Manager
Casey Dwyer**

(425) 257-2137

Casey.Dwyer@sao.wa.gov

**Audit Supervisor
Courtney
Amonsens**

(425) 257-2137

Courtney.Amonsens@sao.wa.gov

**Audit Lead
Mark Aardal**

(425) 257-2137

Mark.Aardal@sao.wa.gov

www.sao.wa.gov

Twitter:

[@WASStateAuditor](https://twitter.com/WASStateAuditor)

Meeting Agenda

The purpose of our exit conference is to share the results of our independent audit and to provide a forum for open discussion. We are pleased to review our draft report and discuss other topics as listed below with you.

- Accountability audit report
- Recommendations not included in our audit reports
- Status of prior audit recommendations
- Report publication
- Your next scheduled audit
- Customer service survey

Preliminary audit results and recommendations were shared in detail with District management and personnel as they were developed during the audit. We would like to thank staff for their cooperation and timely response to our requests during the audit.

We take seriously our responsibility of serving citizens by promoting accountability, fiscal integrity and openness in state and local government. We believe it is critical to citizens and the mission of the District that we work together as partners in accountability to prevent problems and constructively resolve issues. As such, we encourage your comments and questions.

Accountability Audit

Report

Our draft accountability report summarizes the results of our risk-based audit work related to safeguarding of public resources and legal compliance. The report does not include any findings.

Recommendations not included in the Audit Reports

Exit Items

We have provided the following exit recommendation for management's consideration. It is not referenced in the audit report.

Safeguarding of assets

We reviewed the District's internal controls and inventory policies and procedures for safeguarding of assets. We found that although the District does have an informal process in place and a draft inventory policy and procedures manual, the manual has not been approved by the Board of Commissioners. Because of this, the last comprehensive inventory at the District was taken in 2008. In addition, we found the District uses four different report types and were not consistent with how items were identified in the reports. Without consistent inventory policies and procedures, the District increases its risk of misappropriation of assets.

We recommend the District improve their internal controls over how they monitor assets. Specifically, we recommend the District approve inventory policies and procedures, complete a comprehensive inventory at least every two years, and use a standard report to identify all inventory items in order to reduce the risk of misappropriation.

Status of Prior Audit Recommendations

Prior Management Letter Items	Resolved	Unresolved
Procurement	X	
Prior Exit Items	Resolved	Unresolved
Restitution	X	
Safeguarding of assets		X

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: www.sao.wa.gov/EN/News/Subscriptions

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in the fall of 2015 and will cover the following general areas:

- **Accountability for Public Resources**

The estimated cost for the next audit based on the current billing rate is \$5016, plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$500,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Customer Service Survey

An invitation to complete a customer service survey will be emailed to Ed Hartin, Fire Chief. Your feedback is important to our commitment to continually develop and improve our audit process.

Please don't hesitate to contact our Office throughout the year when you have questions. Our website also offers many resources, including a client HelpDesk for your auditing and accounting questions.