

## Kinder, Julian (SAO)

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**From:** scfd7com <scfd7com@plix.com>  
**Sent:** Tuesday, June 16, 2020 2:01 PM  
**To:** Harris, Angela (SAO)  
**Subject:** RE: 2602 – Stevens County Fire Protection District No. 7 – Local Government Assessment Audit Entrance  
**Attachments:** 2018 Credit Card Statements.pdf; 2018 Petty Cash Log.pdf; 2019 Credit Card Statements.pdf; 2019 Resolutions.pdf; August 2019.pdf; CC Policy.pdf; November 2019.pdf; Petty Cash.pdf; Dec 2018 CC Statement.pdf; Dec 2018 Financial Statement.pdf

Hi Angela,

Our answers are in black.

- Question 1 – Are you aware of any loss since the last audit? No
- Question 2 – Were there any instances of processes or procedures that were overridden? No
- Question 3 – When receiving funds locally, does the District use pre-numbered preprinted receipts with the District name printed on each? Yes How soon are funds deposited after they are received? Within a month of receiving under normal circumstances, during Covid-19 anywhere from 1-3 months depending on the availability of the treasurer office.
- Question 4 – We noted the District received revenues from rents and leases of \$24,554 in 2018 and \$20 in 2019. Will you please provide more information regarding the revenues received from rents and leases and the cause for the decrease in 2019? We were not sent out on any State or Federal Fires in 2019 as opposed to 2018.
- Question 5 – Please provide copies of the following documents:
  - Resolutions passed in 2019. Attached
  - Bank statements/credit card statements for each month of 2018 and 2019 from both KeyBank and Washington Federal Bank. Attached
  - Petty cash logs for both 2018 and 2019. Petty Cash Log 2018 is attached, there is no petty cash log for 2019 as none was used.
- Question 6 – We noted the District received a state grant from the Department of Health in both 2018 and 2019, but did not fill out a Schedule 15 for state grant expenditures. Were the funds from the Department of Health expensed in 2018 and/or 2019? Yes these funds were used on medical equipment and supplies through MediWorks.
- Question 7 – When reconciling the County reports to the Schedule 01 for fiscal year 2018, we noted a variance in beginning and ending balances reported of about \$1,197. Will you please provide a copy of the District's 2018 trial balance, which shows the District's beginning and ending balances? Attached
- Question 8 – Please indicate if the following policies exist. If yes, please provide a copy of the policy. If no, please describe the District's current process.
  - Credit Card Policy Attached
  - Procurement Policy Fire Chief is authorized to purchase any item up to \$5000.00 without approval from the District Commissioners, also the District Commissioners have the authority to authorize others as purchasers for the Department.
  - Petty Cash Policy Attached the Resolution, Petty Cash is to be used for office supplies and postage.
  - Policy governing the use of the Open Store Accounts The Chief has designated people on each specific account as authorized to purchase for the Fire Department, and can only be done with the approval of the Chief.
- Question 9 - Please provide a list of the District's current open store accounts. Oxarc, Colville Do-It Center, Napa and Les Schwabbs

If you need anything else please email me back or call at 509-685-9415

Thank you  
Kim Shaw  
509-685-9415  
Arden Fire SCFD 7 Commissioners secretary

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**From:** [Harris, Angela \(SAO\)](#)  
**Sent:** Tuesday, June 16, 2020 11:27 AM  
**To:** [scfd7com@plix.com](mailto:scfd7com@plix.com)  
**Subject:** 2602 – Stevens County Fire Protection District No. 7 – Local Government Assessment Audit Entrance

Hello Kim,

We are beginning the process to audit your local government's submitted annual reports for the fiscal years ending 2018 and 2019. If possible, please be sure to check this email in the next week in case I have questions or need clarification on any aspect of the annual reports the local government submitted, or about any general information in regard to your government's operations. These Assessment Audits are, in general, a pretty quick process and I should be able to get the results to you and your governing body within the next few weeks.

#### **What is an Assessment Audit?**

We will use the annual reports that were submitted to assess how the local government manages the risks associated with operating as well as with its government type, specifically through examination of internal controls over assets and revenues as well as compliance with state laws and our Office's prescribed BARS manual. An assessment audit assesses how local governments manage, use and safeguard public resources. It evaluates whether there is reasonable assurance the local government adhere to applicable state laws, regulations and its own policies and procedures. Additionally, records are audited to ensure public funds are accounted for and controls are in place to protect public resources from misappropriation and misuse. We apply these limited procedures to review compliance and accountability instead of auditing your government onsite. However, an onsite audit may be necessary in the future due to significant risk or increase in annual revenues.

#### **The Goal**

Our objective is to detect and report on significant misappropriation, misuse or loss of public funds and non-compliance with laws and regulations relating to financial matters. We also identify and report on weaknesses in internal controls governing financial operations. The Government will not be billed until after the audit is complete.

#### **Audit Questions**

At this time, I have reviewed some of the annual report materials and have a few questions. We prefer email initially as it keeps good detail of record of work done, however please always feel free to call. Thanks in advance for your prompt attention and replies.

- Question 1 – Are you aware of any loss since the last audit?
- Question 2 – Were there any instances of processes or procedures that were overridden?
- Question 3 – When receiving funds locally, does the District use pre-numbered preprinted receipts with the District name printed on each? How soon are funds deposited after they are received?
- Question 4 – We noted the District received revenues from rents and leases of \$24,554 in 2018 and \$20 in 2019. Will you please provide more information regarding the revenues received from rents and leases and the cause for the decrease in 2019?
- Question 5 – Please provide copies of the following documents:
  - Resolutions passed in 2019.
  - Bank statements/credit card statements for each month of 2018 and 2019 from both KeyBank and Washington Federal Bank.

- Petty cash logs for both 2018 and 2019.
- Question 6 – We noted the District received a state grant from the Department of Health in both 2018 and 2019, but did not fill out a Schedule 15 for state grant expenditures. Were the funds from the Department of Health expensed in 2018 and/or 2019?
- Question 7 – When reconciling the County reports to the Schedule 01 for fiscal year 2018, we noted a variance in beginning and ending balances reported of about \$1,197. Will you please provide a copy of the District's 2018 trial balance, which shows the District's beginning and ending balances?
- Question 8 – Please indicate if the following policies exist. If yes, please provide a copy of the policy. If no, please describe the District's current process.
  - Credit Card Policy
  - Procurement Policy
  - Petty Cash Policy
  - Policy governing the use of the Open Store Accounts
- Question 9 - Please provide a list of the District's current open store accounts.

### Audit Cost

The cost of the audit is estimated to be approximately \$1,400. The District will not be billed until the audit has been completed.

### Your Government's Description

We have the following description of your government on record. We use this in the official audit report to describe your government to the public. Is there any information that you wish to add or is any of this information no longer correct? Typical information could include the date the government was created, how large the Government is, how many homes or residents the Government serves, interesting information, etc. Thank you!

- Stevens County Fire Protection District No. 7 provides fire, rescue and EMS services to the Arden community near Colville. An elected, three-member Board of Commissioners governs the District. The District has one part-time employee and approximately 20 volunteer fire fighters. The District's primary source of revenue is derived from property taxes.

Thank you for your time and thanks in advance for your quick responses to any questions that might come up as we perform Stevens County Fire Protection District No. 7's audit. Please let me know if you have any questions and I would be more than happy to answer them. If this email address is no longer the preferred method of contacting the government, please let me know so we can update the system. Updating email addresses will also change the login ID used to access our website and online filing. I hope you have been having a great week and look forward to hearing back from you shortly.

Sincerely,



Angela Harris

Audit Intern, [Office of the Washington State Auditor](#)

(564) 999-0921 | Pronouns: She, Her, Hers

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