

## Risk Assessment Inquiry **with Management**

Questions below are minimum extent of inquiry, although not every question will be applicable to every person we interview. Financial Reporting questions can be skipped if not performing a financial statement audit. Auditors are not limited to these questions.

<b>Inquiry with:</b> (name & position)		<b>Clint Volk, Fire Chief</b>	<b>Date:</b>	<b>January 11, 2024</b>
<b>Question</b>			<b>Summary of Response</b>	
<b>Controls</b>				
1	Does anyone perform a risk assessment at the government-wide level of fraud, loss, noncompliance or misstated financial reports? If yes, is there written documentation available on the risk assessment?		10 person organization, everything gets talked about when it comes up.	
2	What processes (nature, extent and frequency) are in place to monitor whether internal controls are effective?		Many levels of review, legal counsel, payroll is done by CPA, objective person reviews most documents.	
3	Does anyone report periodically to the governing body (or audit committee, if applicable) about internal controls?		Mostly when audits are upcoming, or public bids, now more often with attorney	
4	Are you aware of any instances where normal controls or processes have been bypassed or over-ridden?		No	
<b>Financial Reporting</b> (skip if not performing a financial statement audit)				
5	Were any new accounting standards or policies implemented? If so, do you have any concerns with these?		Not Applicable – Accountability audit only	
6	Have there been changes to key accounting software?		Not Applicable – Accountability audit only	
7	Have there been changes to key accounting or other personnel?		Not Applicable – Accountability audit only	
8	Are you aware of any potential pressures, motivations or requests to record inaccurate information, not record information or make unsupported changes to financial records or reports?		Not Applicable – Accountability audit only	
9	Are you aware of any recorded transactions that are unusual or that may lack support?		Not Applicable – Accountability audit only	
10	Are you aware of any disagreements about the correct accounting or reporting for any events or transactions?		Not Applicable – Accountability audit only	
11	What financial statement balances or disclosures do you think are most at risk of being misstated? What has been done to mitigate these concerns when preparing statements this year?		Not Applicable – Accountability audit only	
12	Are any financial performance measures or targets used by management or the governing body (ex: budget variances, etc)?		Not Applicable – Accountability audit only	
<b>Compliance</b>				
13	Have there been any changes in programs or services offered, or new sources of revenues?		No	
14	Have there been any new laws, regulations, contracts or grants since the last audit?		No	
15	What laws, regulations or contracts do you think are most at risk of noncompliance? What has been done to mitigate these risks?		Procurement, new SOP that gives better guidance and legal counsel advisory	

Inquiry with: (name & position)		Clint Volk, Fire Chief	Date:	January 11, 2024
Question			Summary of Response	
16	Are you aware of any potential noncompliance with laws, regulations, grants or contracts since the last audit?		No	
17	Are you aware of any instances where funds were provided to ineligible recipients of programs (ex: rental assistance, free/reduced lunch program, unemployment, etc.)		No	
Safeguarding of Public Resources				
18	Have you identified any business risks, conditions or events that might significantly affect operations or financial condition? What has been done to mitigate these risks?		No	
19	How does management communicate policies on acceptable business practices and ethical behavior to employees (e.g. training or awareness programs)? Are you aware of any violations of these policies? Are employees provided an anonymous way to report suspected violations?		Through online training platform, in person meetings.  No violations  No whistleblower but they have SAO hotline posters	
20	What specific areas or locations do you think are most at risk of fraud or loss? What has been done to mitigate these concerns?		No cash receipting, no concerns.	
21	Are you aware of any actual, alleged or suspected instances of fraud or loss since the last audit (including fraud or loss involving external parties, such as contracted service providers, vendors, and/or sub-recipients)?		SAO public records request were holding back a hotline complaint	
22	Considering other audits that you have already had and the results of those audits, is there any area of concern you would like us to follow up on or incorporate in our audit?		No	
23	Is there anything else we should be aware of?		No	

## Risk Assessment Inquiry **with Management**

Questions below are minimum extent of inquiry, although not every question will be applicable to every person we interview. Financial Reporting questions can be skipped if not performing a financial statement audit. Auditors are not limited to these questions.

<b>Inquiry with:</b> (name & position)	<b>Heather Fredrickson, Office Manager</b>	<b>Date:</b>	<b>January 11, 2024</b>
<b>Question</b>		<b>Summary of Response</b>	
<b>Controls</b>			
1	Does anyone perform a risk assessment at the government-wide level of fraud, loss, noncompliance or misstated financial reports? If yes, is there written documentation available on the risk assessment?	Nothing formal but when an issue comes up it gets addressed. Many levels of review	
2	What processes (nature, extent and frequency) are in place to monitor whether internal controls are effective?	Many levels of review, CPA does payroll so there are more eyes on it. Heather reviews CPA work.	
3	Does anyone report periodically to the governing body (or audit committee, if applicable) about internal controls?	They approve policies, Heather's reconciliations so they can review and ask questions.	
4	Are you aware of any instances where normal controls or processes have been bypassed or over-ridden?	No.	
<b>Financial Reporting</b> (skip if not performing a financial statement audit)			
5	Were any new accounting standards or policies implemented? If so, do you have any concerns with these?	Not Applicable – Accountability audit only	
6	Have there been changes to key accounting software?	Not Applicable – Accountability audit only	
7	Have there been changes to key accounting or other personnel?	Not Applicable – Accountability audit only	
8	Are you aware of any potential pressures, motivations or requests to record inaccurate information, not record information or make unsupported changes to financial records or reports?	Not Applicable – Accountability audit only	
9	Are you aware of any recorded transactions that are unusual or that may lack support?	Not Applicable – Accountability audit only	
10	Are you aware of any disagreements about the correct accounting or reporting for any events or transactions?	Not Applicable – Accountability audit only	
11	What financial statement balances or disclosures do you think are most at risk of being misstated? What has been done to mitigate these concerns when preparing statements this year?	Not Applicable – Accountability audit only	
12	Are any financial performance measures or targets used by management or the governing body (ex: budget variances, etc)?	Not Applicable – Accountability audit only	
<b>Compliance</b>			
13	Have there been any changes in programs or services offered, or new sources of revenues?	No	
14	Have there been any new laws, regulations, contracts or grants since the last audit?	Nothing new	
15	What laws, regulations or contracts do you think are most at risk of noncompliance? What has been done to mitigate these risks?	Nothing comes to mind	

Inquiry with: (name & position)		Heather Fredrickson, Office Manager	Date:	January 11, 2024
Question			Summary of Response	
16	Are you aware of any potential noncompliance with laws, regulations, grants or contracts since the last audit?		No	
17	Are you aware of any instances where funds were provided to ineligible recipients of programs (ex: rental assistance, free/reduced lunch program, unemployment, etc.)		No	
Safeguarding of Public Resources				
18	Have you identified any business risks, conditions or events that might significantly affect operations or financial condition? What has been done to mitigate these risks?		No	
19	How does management communicate policies on acceptable business practices and ethical behavior to employees (e.g. training or awareness programs)? Are you aware of any violations of these policies? Are employees provided an anonymous way to report suspected violations?		Review policies annually, board approves changes and then provided to all staff members.  Included in policies, come to HR, and also have SAO hotline posters in the District	
20	What specific areas or locations do you think are most at risk of fraud or loss? What has been done to mitigate these concerns?		Electronic payments done through the County	
21	Are you aware of any actual, alleged or suspected instances of fraud or loss since the last audit (including fraud or loss involving external parties, such as contracted service providers, vendors, and/or sub-recipients)?		no	
22	Considering other audits that you have already had and the results of those audits, is there any area of concern you would like us to follow up on or incorporate in our audit?		No	
23	Is there anything else we should be aware of?		No	

## Risk Assessment Inquiry with Governing Body (or Audit Committee)

Questions below are the minimum extent of inquiry, although not every question will be applicable to every person we interview. Financial Reporting questions can be skipped if not performing a financial statement audit. Auditors are not limited to these questions.

<b>Inquiry with:</b> (name & position)	<b>Troy Woodard,</b> <b>Commissioner, Chair</b>	<b>Date:</b>	<b>January 17, 2024</b>
Question		Summary of Response	
<b>Financial Reporting</b> (skip if not performing a financial statement audit)			
1	<p><i>NOTE: management is responsible for preparing financial statements. The governing body is responsible for oversight of financial reporting.</i></p> <p>Are you aware of any potential pressures, motivations or requests for management to record inaccurate information, not record information or make unsupported changes to financial records or reports?</p>	Not Applicable – Accountability audit only	
2	Have you identified any business risks, conditions or events that might significantly affect operations or financial condition? If so, what has been done to mitigate these risks?	Not Applicable – Accountability audit only	
3	Is there anything reported in the financial statements that seems unusual or unreasonable, based on your understanding?	Not Applicable – Accountability audit only	
<b>Compliance</b>			
4	Are you aware of any potential or actual noncompliance with laws, regulations, grants or contracts since the last audit?	No	
5	Are you aware of any instances where funds were provided to ineligible recipients of programs (ex: rental assistance, free/reduced lunch program, unemployment, etc.)	No	
<b>Safeguarding of Public Resources</b>			
6	<p><i>NOTE: management is responsible for identifying, responding to and monitoring risks of fraud. The governing body is responsible for oversight of controls and processes established by management in these areas.</i></p> <p>How does your group oversee the management's risk assessment and monitoring of internal controls related to fraud and safeguarding of public resources (for example, reviewing reports from management or risk managers, conversations with management or department heads, holding work sessions related to risk assessment or control monitoring results)?</p>	They review reports to include all financial reports. If something comes up it gets addressed.	
7	Does anyone report periodically to the governing body about risk assessments related to fraud or safeguarding of public resources and any identified issues?	If there were any issues they would be addressed immediately.	
8	Audit standards require us to ask your views on what areas might be at highest risk for potential fraud and if you are aware of any actual, suspected or alleged fraud (including fraud or loss involving external parties, such as contracted service providers, vendors, and/or sub-recipients)?	Things are run really tightly at the district so not aware	

<b>Inquiry with:</b> (name & position)		<b>Troy Woodard,</b> <b>Commissioner, Chair</b>	<b>Date:</b>	<b>January 17, 2024</b>
<b>Question</b>			<b>Summary of Response</b>	
9	Considering other audits that you have already had and the results of those audits, is there any area of concern you would like us to follow up on or incorporate in our audit?		No	
10	<p>Do you feel that the governing body has had enough communication with us about audits?</p> <ul style="list-style-type: none"> <li><i>If no or unsure, then is there anything in particular we could communicate better about?</i></li> <li><i>If the board has not been attending entrance or exit conferences, let them know we welcome their involvement and ask if there's anything we can do to make it easier for them to attend in the future.</i></li> </ul> <p><i>NOTE: we appreciate your public service and want to respect your time. We also respect your important role in leading the government and overseeing management. Professional standards require auditors to communicate with the governing body on a number of matters, but it can be bit more challenging in the government with Open Public Meetings. Please know that we're always available to talk with you, and are committed to providing you the information you need about the audit.</i></p>		Yes	
11	Is there anything else we should be aware of?		No	