

Snohomish County Fire District #4

MEETING MINUTES

SPECIAL MEETING BOARD OF FIRE COMMISSIONERS

DATE: Wednesday, February 2, 2022
LOCATION: Headquarters Fire Station #43 – Harvey Room
1525 Ave. D – Snohomish, WA & virtually on YouTube

BOARD MEMBERS PRESENT: **JIM SCHMOKER**, Chair of the Board
RICHARD E. FLATH, Fire Commissioner

STAFF MEMBERS PRESENT: Don Waller, District Secretary/Fire Chief
Thad Frater, Deputy Chief
Mike Gatterman Deputy Chief
Christine Heike, Records Specialist
Jason Hodgkinson, Deputy Chief
Greg Osborne, Deputy Chief
Bill Scherer, Battalion Chief

OTHERS PRESENT: Kristina Baylor, Prgm Mngr State Auditor’s Office
Michel Melseaux, Lead Auditor
Amanda Robinson, Asst. Audit Mngr

ROLL CALL

Chairman Schmoker called the meeting to order at 15:00 hours. Two members of the Board were present. Chief Waller introduced the Board and Staff from SCFD4 and Kristina Baylor introduced the Staff from the State Auditor’s Office.

ADOPT/ADJUST AGENDA

The Exit Conference from the recent State Audit is the only item of business.

ACTION ITEM

Three members of the Washington State Auditor’s Office presented their findings for an audit period of January 01, 2019 through December 31, 2020. They stated an audit is a government tool designed to improve our working relationship with the government and develop trust, increase the community’s level of trust with us through financial transparency, and increase our efficiency and organization with best practice recommendations from government experts. There are two types of audits - Accountability and Financial.

Accountability Audit: This audit examines the District's operation to comply with state laws and its own policies to evaluate its ability to safeguard public resources. The District complied with all state laws and policies and demonstrated good control of its finances. The state selected a few areas to focus on and were pleased with findings in all of them:

Payroll – a review of overtime, leave balance , and cash-out procedures showed the District has good control of its payroll cash flow.

Procurement – this area had received a management letter in the previous audit. The District has made improvements and is in full compliance.

Financial Condition – entities with fewer than 60 days of cash reserve are often classified as in financial distress. The District has 370 days of cash reserve, which is quite impressive.

Financial Audit: The auditors issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. They issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the U.S.A. (GAAP) because financial statements are prepared using accounting practices prescribed by state law and the State Auditor's BARS (*Budgeting, Accounting and Reporting System*) manual. The audit did not identify any deficiencies in internal control considered to be material weaknesses, and no instances of noncompliance or other matters to be reported under *Government Auditing Standards*.

Future Considerations: The auditing team referenced the *Center for Government Innovation* ([The Center for Government Innovation - Office of the Washington State Auditor](#)) as a website that publishes resources for accounting and auditing. Their information on *Segregation of Duties* was mentioned as a resource for us. Agencies with more than \$10 million of revenue require annual audits. SCFD4 has reached that level. This means in the Fall of 2021 we would need to start another audit.

Next Steps:

1. The Auditor's Office will publish their reports on February 7, 2022.
2. Once the reports are published, there is a customer satisfaction survey to complete.
3. The auditing team expressed their thanks to Chief Waller and Chief Gatterman for their all their support, patience, communication and level of professionalism during the process.

Questions/Comments:

Chief Waller echoed the thanks given by the audit team and credited Chief Gatterman with preparing documents and supporting the auditing team.

Chairman Schmoker wondered if the type or extent of the audits would differ if the District changed to an annual audit. Both types of audits can be done annually, and details are usually easier to recall.

Commissioner Flath asked about the exit recommendations of the audit committee. Those are housekeeping details usually shared with management, as they are best to deal with them. The auditors summarized the recommendations.

At 15:32 hours, the Special Board Meeting was adjourned.

**MINUTES OF SPECIAL FIRE COMMISSIONERS BOARD MEETING,
February 2, 2022 15:00 hours**

Minutes prepared and submitted by:

Christine M Heike
Christine Montagne-Heike, Records Specialist

MINUTES APPROVED BY FIRE COMMISSIONER:

James H Schmoker

2/14/2022

Date