



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

**Accountability Audit Report**  
**South Snohomish County Fire &  
Rescue Regional Fire Authority**

**For the period October 1, 2017 through December 31, 2018**

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

December 2, 2019

Board of Commissioners  
South Snohomish County Fire & Rescue Regional Fire Authority  
Everett, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office 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 Regional Fire Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the Regional Fire Authority'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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, the Regional Fire Authority operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

### About the audit

This report contains the results of our independent accountability audit of South Snohomish County Fire & Rescue Regional Fire Authority from October 1, 2017 through December 31, 2018.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Regional Fire Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended December 31, 2018 and 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Expenditures – general disbursements, credit cards, travel expenditures, electronic funds transfers and employee reimbursements
- Payroll – gross wages in accordance with contracts
- Training academy – reimbursement and expenditures
- Safeguarding public assets – review the transfer of theft sensitive assets from Snohomish County Fire Protection District No. 1 and the City of Lynnwood to the Regional Fire Authority
- Self-insurance – health and welfare, and unemployment compensation
- Financial condition and fiscal sustainability
- Open public meetings – documentation of minutes, executive sessions and special meetings

## RELATED REPORTS

### **Financial**

Our opinion on the Regional Fire Authority's financial statements is provided in a separate report, which includes the Regional Fire Authority's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE REGIONAL FIRE AUTHORITY

Voters in the City of Lynnwood and Fire District 1 approved a plan creating and funding the South Snohomish County Fire and Rescue (SSCFR) Regional Fire Authority on the August 1, 2017 ballot. The creation of SSCFR consolidates and standardizes resources to provide sustainable and stable funding for fire and emergency medical services. Effective October 1, 2017, existing fire personnel and equipment transferred to SSCFR.

The Lynnwood Fire Department operated two fire stations with 56 employees to serve more than 36,000 residents within the city limits. Fire District 1 operated 12 fire stations with 241 employees (including administrative staff) to serve nearly 214,000 residents in unincorporated communities as well as the Cities of Brier, Edmonds and Mountlake Terrace. These partner cities have service contracts with Fire District 1 that transferred to SSCFR on October 1, 2017 with the same terms, conditions and service levels. The SSCFR is governed by a transitional Board of Commissioners consisting of two Lynnwood elected officials and five Fire District 1 Commissioners. Expenditures in 2018 totaled \$64,434,182.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for South Snohomish County Fire & Rescue Regional Fire Authority at <http://portal.sao.wa.gov/ReportSearch>.

## 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

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