

<b>Scotts Valley Fire Protection District</b>	<b>Policy: 1605</b>
<b>Subject: Fiscal Accountability</b>	<b>Dated: February 1, 2006</b>

**Policy 1605: Fiscal Accountability**

**Purpose**

The Scotts Valley Fire Protection District will provide fiscal accountability at all levels. As a public agency, it is crucial to maintain a high degree of public trust through the judicious use of resources for the benefit of the public.

**Transparency**

The financial condition and transactions of the Scotts Valley Fire Protection District will be open to the public for review. This will be accomplished through availability of financial statements in print or on the District's web site, availability of records and reports, and open review of financial records unless restricted for confidentiality by law consistent with the Public Records Act.

**Budgets**

The financial operation of the district will be conducted in accordance with an annual budget that has been reviewed and adopted by the Board of Directors in compliance with all applicable laws and regulations. Each year a preliminary budget will be prepared and presented to the Board in open session normally at the April public meeting. A final budget will be presented, normally in July for public hearing and adoption by the Board at a meeting that has been fully noticed. The district's financial performance against the adopted budget will be reviewed by the Finance Committee of the Board at least quarterly, and the results of this review presented to the full Board at the first public meeting following the review.

**Audits**

Financial audits will be conducted annually by a firm qualified in governmental accounting standards. The audit will be conducted in accordance with the then current Governmental Accounting Standards Board requirements. The completed audit will be presented to the audit committee of the Board of Directors in open session for review and acceptance. Once accepted by the Board, the annual audit will be the official audited financial statement of the Scotts Valley Fire Protection District and will be available for review by the public.

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On a monthly basis, and prior to the presentation of the warrants to the Board for approval, the Fire Chief will verify that the Department's warrants are complete, accurate, and properly authorized, and that the records maintained by the County are true and consistent with the department's records.

At least quarterly, the Finance Committee will conduct a separate audit of the Department's warrants and supporting documentation to verify that the warrants as presented to the Board are a complete and true record of expenditures.

At least quarterly, the Finance Committee will independently compare the County records of revenues and expenditures with the Department's records.

The results of the Finance Committee's audits will be reported to the Board at the next regularly scheduled meeting and documented in the minutes of that meeting.

### **Approval Authority and Payment Processing**

The fire chief is authorized to settle warrants as defined in the Purchasing Policy within the limits of the adopted budget. All other claims will require authorization by the Board of Directors prior to settling the claim.

A summary list of all warrants processed within a calendar month will be presented to the Board for review and approval at the first regular open meeting following the end of the month in question. The summary list will be available for public inspection.

The Scotts Valley Fire Protection District uses the services of the Santa Cruz County Auditor's Office to settle authorized claims of the District. The staff will prepare claims weekly to be submitted to the Auditor's office for payment to the vendor. Specific procedures will be detailed in a Standard Operating Procedure.

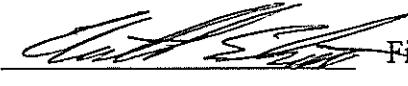
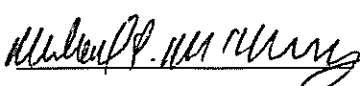
### **Revenues and Deposits**

The bulk of the District's funds are received into the County Treasury in the form of property taxes. The County Auditor posts the amount of taxes as received based on formulas established by State law.

Funds are received in the administrative office in the form of checks and cash, particularly for permit issuance, sale of surplus assets as authorized and donations. A receipt will be issued for all funds received into the administrative office and will be

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securely locked until such time a deposit can be made to the County Treasury. Deposits will be made once a week or as necessary due to receipt of significant amounts of money.

### **Treasury Reports**

The funds of the Scotts Valley Fire Protection District are invested by the Santa Cruz County Treasurer. The Santa Cruz County Treasury Oversight Committee prepares quarterly reports on the condition and current status of the treasury. Upon receipt of the publication, a copy of the quarterly report will be provided to the Finance Committee and be available for public review in the administrative office.

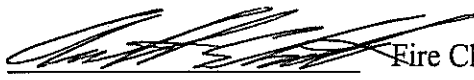
At least annually, the Board of Directors will review a report from the Treasury Oversight Committee in order to satisfy the fiduciary responsibility of the Scotts Valley Fire Protection District. Any discrepancies or concerns will be immediately forwarded to the Santa Cruz County Treasurer for resolution.

### **Reports and Records**

The Scotts Valley Fire Protection District will maintain appropriate records and reports for fiscal accountability and accuracy. In addition to the internal records and reports of the District, fiscal records will be reconciled with the Santa Cruz County Auditor's Office. Any discrepancy will be researched and reconciled.

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