

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

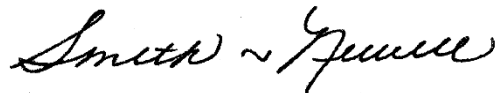
To the Board of Directors
Scott Valley Fire Protection District
Greenview, California

In planning and performing our audit of the financial statements of Scott Valley Fire Protection District, (District) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The appendix that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated July 14, 2022 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with District management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District and is not intended to be, and should not be, used by anyone other than these specified parties.



Smith & Newell CPAs
Yuba City, California
July 14, 2022

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SCOTT VALLEY FIRE PROTECTION DISTRICT
Appendix A: Management Letter Comment
For the Year Ended June 30, 2021

CURRENT YEAR FINDING AND RECOMMENDATION

Payroll

Criteria

Good internal control over payroll requires that the District maintain sufficient documentation to verify the accuracy of employee information including approved payrates.

Condition

At the time of fieldwork, the District did not have sufficient documentation to verify approved payrates for 2 of the 6 employees selected.

Cause

The District did not maintain sufficient documentation for employee approved payrates.

Effect

Payrates cannot be verified for all employees selected.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat of a prior year finding.

Recommendation

We recommend that the District maintain sufficient documentation to verify the accuracy of payroll information for all employees.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

SCOTT VALLEY FIRE PROTECTION DISTRICT
Appendix B: Management's Corrective Action Plan
For the Year Ended June 30, 2021

Payroll

We recommend that the District maintain sufficient documentation to verify the accuracy of payroll information for all employees.

Management's Response: a) Salaries: SVFPD has three part-time paid personnel. Salary increases are determined in the January or February Board meetings. Previously the Board agrees upon a percentage (i.e. 5% cost of living or a merit raise), with the bookkeeper charged to calculate those sums during the course of business in the following month and to be applied to the next payroll.

b) Strike Team Fire Pay: This is calculated through a Salary Survey process coordinated with the hiring agencies, Cal Fire, United States Forest Service (USFS), and Office of Emergency Services (OES). Once confirmed by those agencies (annually for Cal Fire and OES on the Assistance by Hire Agreement and bi-annually for USFS on their Modification or Grant Agreement FS-1500-19), those hourly wages are set for the year (July through June). Cal Fire Siskiyou Unit and Klamath National Forest (both local hiring agencies also have agreements). Strike team payments are determined by the position worked (Captain, Engineer, Firefighter). It varies from fire to fire and who holds which position on a particular strike team. Therefore, we cannot set a firm base payroll for individual employees. Copies of the agreements are maintained in the annual Fire Season Payments Due folder accompanied by an accounting of personnel and pay rates for each fire.

Responsible Individual: Nancy Salucci, Administrative Officer

Corrective Action Plan: a) Salaries: The salaries will be noted at the following Board meeting and posted in the Minutes.

b) Strike Team Fire Pay: See (b) above

Anticipated Completion Date: a) Salaries: February of each year.

b) Strike Team Fire Pay: Ongoing