

April 28, 2016

2016-803

Mark Heine, Chief
Novato Fire Protection District
95 Rowland Way
Novato, California 94945

Dear Mr. Heine:

California Government Code section 8546.10 authorizes the California State Auditor (state auditor) to establish a high-risk local government agency audit program to identify local government agencies—including but not limited to counties, cities, and special districts—that are at high risk for the potential of waste, fraud, abuse, and mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness.

The state auditor has identified certain factors which cause us concern that the Novato Fire Protection District (Novato) may be a high-risk local government agency. Consequently, we will conduct an initial assessment to better understand these factors, determine Novato's awareness and responses to these issues, and identify any other ongoing issues that could affect our determination of whether Novato should be considered a high-risk local government agency.

As indicated in the enclosed description of our high-risk local government audit process, one purpose of our initial assessment is to obtain your perspective on the areas of concern we have identified. To the extent that you can provide information and perspective that alleviates our concerns or indicates that you are already adequately addressing these concerns, it will be unnecessary for us to request approval from the Joint Legislative Audit Committee (JLAC) to perform an audit. If our concerns are not alleviated, we may request approval to conduct an audit from JLAC. We will only perform an audit after receiving approval from JLAC.

The work will be under the supervision of John Baier, Audit Principal. We will contact you to arrange an opening conference. If you have any questions, please do not hesitate to contact me.

Sincerely,



ELAINE M. HOWLE, CPA
State Auditor

Enclosure: The California State Auditor's High Risk Local Government Audit Process

cc: L.J. Silverman, President of the Board of Directors
Dan Hom, Finance Director
Gretchen Felciano, Human Resources Manager