



**West Virginia Legislature**  
**Joint Committee on Government and Finance**  
*Legislative Post Audit Division*  
Aaron Allred, Legislative Auditor  
Denny Rhodes, Director

Building 1, Room W-329 • 1900 Kanawha Boulevard, East • Charleston, WV 25305-0610 • Phone: (304) 347-4880 • Fax: (304) 347-4889

**West Hamlin Volunteer Fire Department**  
**Lincoln County**  
**July 1, 2011 – June 30, 2012**

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### **Volunteer Fire Department Audit Staff**

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Nathan Hamilton, VFD Auditor

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## Introduction

West Hamlin Volunteer Fire Department in Lincoln County began FY 2012 with a balance of \$5,487.32 in its state account. During FY 2012, the Department received additional monies from the State in the amount of \$43,410.74. The use of these funds by volunteer fire departments is restricted by West Virginia Code §8-15-8b. The Department received additional state funding in the amounts of \$46,221.17 in FY 2013, \$45,249.00 in FY 2014 and \$46,965.20 in FY 2015.

## Objective

The objective of the audit of the West Hamlin Volunteer Fire Department was to evaluate compliance with West Virginia Code §8-15-8b. Our report is designed to assist the Post Audits Subcommittee in exercising its legislative oversight function and to provide constructive recommendations for improving the operations of volunteer fire departments.

## Scope

The Legislative Auditor conducted an audit of the revenue and expenditure transactions of West Hamlin Volunteer Fire Department's state account for the fiscal year ending June 30, 2012. The scope included determining instances of noncompliance with West Virginia Code §8-15-8b. The audit was conducted pursuant to the authority provided by West Virginia Code §12-4-14.

## Conclusion

The West Hamlin Volunteer Fire Department used \$1,637.00 in state funds on accident and sickness insurance which is not allowed under WV Code §8-15-8b.

## Recommendation

- 1. The Legislative Auditor recommends the Department use state funds in accordance with WV Code §8-15-8b and reimburse its state account \$1,637.00 for the accident and sickness insurance not allowed.*

All findings and recommendations presented in this report have been reviewed and discussed with the West Hamlin Volunteer Fire Department. The Department was informed of the recommendation to reimburse its state account \$1,637.00.

## Finding

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*FINDING: PURCHASE NOT ALLOWED OF \$1,637.00*

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**Condition:** The West Hamlin Volunteer Fire Department spent \$1,637.00 for accident and sickness insurance which is not allowed under West Virginia Code.

**Criteria:** **W.Va. Code §8-15-8b, as amended, states in part:**

“Authorized expenditures of revenues from the municipal pensions and protection fund and the fire protection fund.

Revenues allocated to volunteer and part volunteer fire companies and departments **may be expended only for the items listed in subdivisions (1) through (15) of this section.**” (Emphasis Added)

**Cause:** The Department was unaware that accident and sickness insurance was not allowed to be purchased with its state money.

**Effect:** Use of state funding for items not allowed negates the purpose for which the money was given to the Department, leaving the Department vulnerable to not being able to purchase other items needed and allowed per WV Code.

**Recommendation:**

- 1. The Legislative Auditor recommends the Department use state funds in accordance with WV Code §8-15-8b and reimburse its state account \$1,637.00 for the accident and sickness insurance not allowed.**

**VFD Response:**

**The West Hamlin Volunteer Fire Department agrees with our finding and will comply with our recommendation.**

## Appendix A

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### AUDIT SUMMARY: ACTIVITY FOR WEST HAMLIN VOLUNTEER FIRE DEPARTMENT

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<b>State Funds Audited and Accounted For</b>		
<b>State Account:</b>		
Beginning Account Balance (7/1/2011)	\$5,487.32	
FY 2012 Deposits from State Treasurer	43,410.74	
Other FY 2012 Deposits Accounted For	<u>5,714.52</u>	
<b>Total Funds Audited:</b>		\$54,612.58
<b>Expenditures:</b>		
Purchases/Transfers Adequately Accounted For	\$45,820.55	
Purchases Not Allowed ( <i>finding</i> )	<u>1,637.00</u>	
<b>Total Expenditures:</b>		<u>\$47,457.55</u>
<b>Balance Remaining in Account (6/30/2012):</b>		<u>\$7,155.03</u>