LEGISLATIVE AUDIT REPORT
BENWOOD VOLUNTEER FIRE DEPARTMENT
Marshall County
AUDIT PERIOD January 1, 2012 – December 31, 2012

AUDIT SUMMARY
- Lack of supporting documentation for $9,068.94
- Unallowable expenditures of $1,102.96
Benwood Volunteer Fire Department
Marshall County
January 1, 2012 – December 31, 2012

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Post Audits Subcommittee

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The Honorable William P. Cole III, Chair
The Honorable Mike Hall
The Honorable Jeffrey V. Kessler

House Members
The Honorable Tim Armstead, Chair
The Honorable Eric Nelson, Jr.
The Honorable Timothy Miley

Legislative Post Audit Division

Volunteer Fire Department Audit Staff
Melissa Bishop, Assistant Director
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Introduction

Benwood Volunteer Fire Department in Marshall County began 2012 with a balance of $6,082.75 in its state account. During FY 2012, the Department received additional monies from the State in the amount of $44,538.77. 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 $33,039.66 in 2013, $46,815.67 in 2014, $35,766.03 in 2015, and $48,687.15 in 2016.

Objective

The objective of the audit of the Benwood 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 Benwood Volunteer Fire Department’s state account for the year ending December 31, 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 Benwood Volunteer Fire Department did not provide proper supporting documentation for expenditures totaling $9,068.94; therefore, there was no way to determine if the state monies were spent on allowable items. Additionally, the Department expended state funds on items not allowed under West Virginia Code §8-15-8b in the amount of $1,102.96, which included expenses for the Benwood Fireman’s Club and sales taxes.

Recommendations

1. The Legislative Auditor recommends the Department maintain proper documentation for all expenditures of state funds.

2. The Legislative Auditor recommends the Department reimburse its state account $9,068.94 for the unverified items or provide adequate documentation to verify the purchases were appropriate according to WV Code §8-15-8b.

3. The Legislative Auditor recommends the Department cease the use of state funds for items not allowable per WV Code.

4. The Legislative Auditor recommends the Department reimburse its state account in the amount of $1,102.96.

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1 Per the State Fire Marshal, the Department was not eligible to receive $11,970.92 of state funding in 2013 and $11,847.28 in 2015.

2 See Appendix for a Summary of Funds Reviewed.
All findings and recommendations presented in this report have been reviewed and discussed with the Benwood Volunteer Fire Department. The Department was informed of the recommendation to reimburse its state account by a total of $10,171.90.
# Findings

## FINDING 1: LACK OF SUPPORTING DOCUMENTATION FOR $9,068.94

**Condition:**
The Benwood Volunteer Fire Department lacked proper supporting documentation to account for expenditures totaling $9,068.94 in state funding.

**Criteria:**
WV 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 did not maintain sufficient documentation to verify the purchases were made for the benefit of the Department and were allowed per WV Code.

**Effect:**
Due to the lack of proper supporting documentation, there is no way to determine if these expenditures were allowable.

**Recommendations:**

1. The Legislative Auditor recommends the Department maintain proper documentation for all expenditures of state funds.

2. The Legislative Auditor recommends the Department reimburse its state account $9,068.94 for the unverified items or provide adequate documentation to verify the purchases were appropriate according to WV Code §8-15-8b.
FINDING 2: UNALLOWABLE EXPENDITURES OF $1,102.96

Condition: The Benwood Volunteer Fire Department made unallowable purchases totaling $1,102.96. These expenditures included expenses for the Benwood Fireman’s Club and sales taxes.

Criteria: WV 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 used state money for purposes other than those allowed by WV Code.

Effect: Use of state funding for unallowable purchases 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.

Recommendations:

3. The Legislative Auditor recommends the Department cease the use of state funds for items not allowable per WV Code.

4. The Legislative Auditor recommends the Department reimburse its state account in the amount of $1,102.96.
### State Funds Audited and Accounted For

<table>
<thead>
<tr>
<th>State Account:</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Beginning Account Balance (1/1/2012)</td>
<td>$6,082.75</td>
</tr>
<tr>
<td>2012 Deposits from State Treasurer</td>
<td>44,538.77</td>
</tr>
<tr>
<td>Additional Deposits</td>
<td>19,802.79</td>
</tr>
<tr>
<td><strong>Total Funds Audited:</strong></td>
<td><strong>$70,424.31</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases/Transfers Adequately Accounted For</td>
<td>$54,899.59</td>
</tr>
<tr>
<td>Purchases Lacking Adequate Documentation (<em>finding 1</em>)</td>
<td>9,068.94</td>
</tr>
<tr>
<td>Purchases Not Allowed (<em>finding 2</em>)</td>
<td>1,102.96</td>
</tr>
<tr>
<td><strong>Total Expenditures:</strong></td>
<td><strong>$65,071.49</strong></td>
</tr>
</tbody>
</table>

| Balance Remaining in Account (12/31/2012): | $5,352.82 |