



West Virginia Legislature
Joint Committee on Government and Finance
Legislative Post Audit Division
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Clover-Roane Volunteer Fire Department
Roane County
January 1, 2012 – December 31, 2012

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Post Audits Subcommittee

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Legislative Post Audit Division

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Introduction

Clover-Roane Volunteer Fire Department in Roane County began 2012 with a balance of \$78,082.68 in its state account. During 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 \$45,010.58 in 2013, \$46,815.67 in 2014 and \$47,613.31 in 2015.

Objective

The objective of the audit of the Clover-Roane 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 Clover-Roane 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 Clover-Roane Volunteer Fire Department used \$2,648.26 in state funds on expenditures not allowed under WV Code §8-15-8b. Additionally, the Department could not verify \$132.98 in expenditures.¹

Recommendations

1. *The Legislative Auditor recommends the Department use state funds in accordance with WV Code §8-15-8b and reimburse its state account \$2,648.26 for the items not allowed.*
2. *The Legislative Auditor recommends the Department reimburse its state account \$132.98 for the unverified items or provide adequate documentation to verify the purchases were appropriate according to WV Code §8-15-8b.*

All findings and recommendations presented in this report have been reviewed and discussed with the Clover-Roane Volunteer Fire Department. The Department was informed of the recommendation to reimburse its state account a total of \$2,781.24.

¹ See Appendix A for a Summary of Funds Reviewed

Findings

FINDING 1: PURCHASES NOT ALLOWED TOTALING \$2,648.26

Condition: The Clover-Roane Volunteer Fire Department paid a total of \$2,500.00 to an officer of the department for “Treasurer/Accounting” duties. The work performed by this officer fell within the expected duties of her office and should not have been compensated and is not allowed under West Virginia Code. An additional \$113.00 was spent on an antenna and mount for the installation of a mobile radio in the fire chief’s personal vehicle. Although the chief may be furnished a mobile radio in his car, state funds cannot be used for the purchase. Finally, \$35.26 was spent on a newspaper subscription and state sales taxes.

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 may not have sufficient knowledge of W. Va. Code §8-15-8(b) to determine allowable expenditures under the Code.

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 \$2,648.26 for the items not allowed.**

FINDING 2: LACK OF SUPPORTING DOCUMENTATION FOR \$132.98

Condition: The Clover-Roane Volunteer Fire Department lacked proper supporting documentation to account for two expenditures, totaling \$132.98 in state funding.

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 unable to find and submit two receipts for verification of expenditures.

Effect: Due to the lack of proper supporting documentation, there is no way to determine if these expenditures were allowable. However, it should be noted the Department did maintain appropriate documentation for the majority of all expenditures made with state funds during 2012.

Recommendation:

- 2. The Legislative Auditor recommends the Department reimburse its state account \$132.98 for the unverified items or provide adequate documentation to the Legislative Auditor to verify the purchases were appropriate according to WV Code §8-15-8b.**

Appendix A

AUDIT SUMMARY: ACTIVITY FOR CLOVER-ROANE VOLUNTEER FIRE DEPARTMENT

State Funds Audited and Accounted For		
State Account:		
Beginning Account Balance (1/1/2012)	\$78,082.68	
2012 Deposits from State Treasurer	44,538.77	
Miscellaneous Deposits Accounted For	<u>6,438.90</u>	
Total Funds Audited:		\$129,060.35
Expenditures:		
Purchases/Transfers Adequately Accounted For	\$19,149.71	
Purchases Not Allowed (<i>finding 1</i>)	2,648.26	
Purchases Lacking Supporting Documentation (<i>finding 2</i>)	<u>132.98</u>	
Total Expenditures:		<u>\$21,930.95</u>
Balance Remaining in Account (12/31/2012):		
		<u>\$107,129.40</u>