

LEGISLATIVE AUDIT REPORT

RIVESVILLE VOLUNTEER FIRE DEPARTMENT

Marion County

AUDIT PERIOD January 1, 2011 – December 31, 2011

AUDIT SUMMARY

- Lack of supporting documentation for \$29,892.13
- Unallowable expenditures of \$226.70



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Table of Contents

Introduction	- 4 -
Objective	- 4 -
Scope	- 4 -
Conclusion	- 4 -
Recommendations	- 4 -
Findings	- 6 -
<i>Finding 1: Lack of supporting documentation for \$29,892.13</i>	- 6 -
<i>Finding 2: Unallowable expenditures of \$226.70</i>	- 7 -
Appendix	- 8 -
<i>Audit Summary: Activity for Rivesville Volunteer Fire Department</i>	- 8 -

Introduction

Rivesville Volunteer Fire Department in Marion County began 2011 with a balance of \$4,226.05 in its state account. During FY 2011, the Department received additional monies from the State in the amount of \$44,757.22. 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 \$44,538.77 in 2012, \$11,970.92 in 2013¹, \$46,815.67 in 2014, \$47,613.31 in 2015, and \$48,687.15 in 2016.

The former fire chief of the Rivesville Volunteer Fire Department, who served from 2010 through 2013, pled guilty to embezzlement in December 2015. The former chief admitted he embezzled Department money from January 2012 through December 2013 while acting as fire chief. According to charges by the Marion County Prosecuting Attorney's Office, the former chief bought personal items such as truck parts and internet purchases with the Department's money. The original complaint alleged that the total embezzled was over \$25,000.00.²

Objective

The objective of the audit of the Rivesville 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 Rivesville Volunteer Fire Department's state account for the year ending December 31, 2011. 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 Rivesville Volunteer Fire Department did not provide proper supporting documentation for expenditures totaling \$29,892.13; 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 \$226.70, which included sales taxes and five Sam's Club memberships.³

Recommendations

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

¹ Rivesville VFD was not eligible for the January 2013 State Distribution per the State Fire Marshal's Office, which reduced its 2013 payments by \$11,648.23. Additionally, the Department was not eligible for the July and October State Distributions in 2013 per the Legislative Manager's Office due to not cooperating with the audit; thus, reducing its funding by an additional \$21,391.43.

² Information concerning the previous fire chief was obtained from <http://www.timeswv.com/news>.

³ See Appendix for a Summary of Funds Reviewed.

2. *The Legislative Auditor recommends the Department reimburse its state account \$29,892.13 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 use state funds in accordance with WV Code §8-15-8b and reimburse its state account in the amount of \$226.70 for the items not allowed.*

All findings and recommendations presented in this report have been reviewed and discussed with the Rivesville Volunteer Fire Department. The Department was informed of the recommendations.

Findings

FINDING 1: LACK OF SUPPORTING DOCUMENTATION FOR \$29,892.13

Condition: The Rivesville Volunteer Fire Department lacked proper supporting documentation to account for \$29,892.13 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 \$29,892.13 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 \$226.70

Condition: The Rivesville Volunteer Fire Department made unallowable purchases totaling \$226.70. These expenditures included sales taxes and five additional Sam’s Club memberships. One membership was allowable.

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 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.

Recommendation:

- 3. The Legislative Auditor recommends the Department use state funds in accordance with WV Code §8-15-8b and reimburse its state account in the amount of \$226.70 for the items not allowed.**

Appendix

AUDIT SUMMARY: ACTIVITY FOR RIVESVILLE VOLUNTEER FIRE DEPARTMENT

State Funds Audited and Accounted For		
State Account:		
Beginning Account Balance (1/1/2011)	\$4,226.05	
2011 Deposits from State Treasurer	44,757.22	
Interest Earned on Account	<u>2.60</u>	
Total Funds Audited:		\$48,985.87
Expenditures:		
Purchases/Transfers Adequately Accounted For	\$13,161.75	
Purchases Lacking Adequate Documentation (<i>finding 1</i>)	29,892.13	
Purchases Not Allowed (<i>finding 2</i>)	<u>226.70</u>	
Total Expenditures:		<u>\$43,280.58</u>
Balance Remaining in Account (12/31/2011):		<u>\$5,705.29</u>