

LEGISLATIVE AUDIT REPORT
WASHINGTON BOTTOM
VOLUNTEER FIRE DEPARTMENT
Wood County

AUDIT PERIOD January 1, 2012 – December 31, 2012

AUDIT SUMMARY

- Lack of supporting documentation for \$1,282.14
- Unallowable expenditures of \$2,551.81



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Introduction

Washington Bottom Volunteer Fire Department in Wood County began 2012 with a balance of \$6,151.60 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 \$45,010.58 in 2013, \$46,815.67 in 2014, \$47,613.31 in 2015, and \$48,687.15 in 2016.

Objective

The objective of the audit of the Washington Bottom 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 Washington Bottom 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 Washington Bottom Volunteer Fire Department did not provide proper supporting documentation for expenditures totaling \$1,282.14; 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 \$2,551.81, which included cable television service, fundraising, accident and sickness insurance, and sales taxes.¹

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 \$1,282.14 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 \$2,551.81.*

¹ See Appendix for a Summary of Funds Reviewed.

All findings and recommendations presented in this report have been reviewed and discussed with the Washington Bottom Volunteer Fire Department. The Department was informed of the recommendation to reimburse its state account by a total of \$3,833.95.

Findings

FINDING 1: LACK OF SUPPORTING DOCUMENTATION FOR \$1,282.14

Condition: The Washington Bottom Volunteer Fire Department lacked proper supporting documentation to account for expenditures totaling \$1,282.14 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 \$1,282.14 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 \$2,551.81

Condition: The Washington Bottom Volunteer Fire Department made unallowable purchases totaling \$2,551.81. These expenditures included cable television service, fundraising, accident and sickness insurance, 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 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 \$2,551.81.**

Appendix

AUDIT SUMMARY: ACTIVITY FOR WASHINGTON BOTTOM VOLUNTEER FIRE
DEPARTMENT

State Funds Audited and Accounted For		
State Account:		
Beginning Account Balance (1/1/2012)	\$6,151.60	
2012 Deposits from State Treasurer	44,538.77	
Total Funds Audited:		\$50,690.37
Expenditures:		
Purchases/Transfers Adequately Accounted For	\$32,799.41	
Purchases Lacking Adequate Documentation (<i>finding 1</i>)	1,282.14	
Purchases Not Allowed (<i>finding 2</i>)	<u>2,551.81</u>	
Total Expenditures:		<u>\$36,633.36</u>
Balance Remaining in Account (12/31/2012):		<u>\$14,057.01</u>