

# OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



FOLLOW-UP TO  
2016 GRAND ISLE VOLUNTEER FIRE COMPANY #1  
AUDIT.

**2014-0043**

FOLLOW-UP REVIEW  
ISSUED 2/16/2022



OFFICE OF INSPECTOR GENERAL  
JEFFERSON PARISH

DAVID N. McCLINTOCK  
INSPECTOR GENERAL



02/16/2022

To: Honorable Cynthia Lee-Sheng, Parish President  
Chairman Ricky J. Templet, At-Large “A”  
Councilman Scott Walker, At-Large “B”  
Councilman Marion F. Edwards  
Councilman Deano Bonano  
Councilman Byron Lee  
Councilman Dominick Impastato  
Councilwoman Jennifer Van Vrancken

From: David McClintock, Inspector General

Re: Follow-up Review #2014-0043 - An audit of the Grand Isle Volunteer Fire Company #1

Honorable Parish President and Honorable Council Members,

In August of 2020, the Jefferson Parish Office of Inspector General (JPOIG) initiated a **follow-up review** of the audit issued publically to the Grand Isle Volunteer Fire Company #1 on 03/23/2016. Follow-up reports monitor the status of previously made recommendations.

During the course of the follow-up review the JPOIG chose to elevate the engagement to a full audit. The results of the full audit are reported under 2021-0026, which will be issued publically on 02/17/2022 and will be available on [www.JPOIG.net](http://www.JPOIG.net). The data received during the full audit was sufficient to assess and determine the status of the findings from the initial audit as set forth below.

The 2016 audit report of the Grand Isle Volunteer Fire Company resulted in twelve (12) findings as depicted in the table below. The review determined that finding #12 had been resolved by the Parish Administration, the remainder of the findings were directed to the GIVFC and remain unresolved.

Follow-Up Summary				
Finding	Topic	Resolved	Unresolved	Resolved in-part
#1	Paying Expenses for a Separate Non-Profit Entity		✓	
#2	Undocumented Fuel and Fuel Purchased for GIVES		✓	
#3	Inadequate Documentation of Grocery Expenses		✓	
#4	Lack of Controls Over Payroll		✓	
#5	Gratuitous Alienation of Public Funds		✓	
#6	Issuance of Checks to Cash		✓	
#7	Payment of Travel Per Diems for Personal Travel		✓	
#8	Purchases Were Made by Individuals Not Employed by GIVFC		✓	

#9	Lack of Policies and Procedures for Hurricane Protocols		✓	
#10	Lack of Adequate Documentation of the Disposals of Vehicles		✓	
#11	Expenditure of Millage Funds for Cell Phones		✓	
#12	Parish Failed to monitor the operations of VFC Companies	✓		

The overall results of this follow up revealed little to no improvement in internal controls, asset management, compliance with state and local laws, nor the establishment of policies and procedures to prevent fraud, waste and abuse.

Respectfully,



David McClintock



**OFFICE OF INSPECTOR GENERAL  
JEFFERSON PARISH**

DAVID N. McCLINTOCK  
INSPECTOR GENERAL



<b>Date of Report:</b> 02/16/2022	<b>PUBLIC FOLLOW-UP REVIEW</b>	<b>Case:</b> 2014-0043
<b>Period of Review:</b> 01/01/2020 –04/30/2021	<b>Report By:</b> JPOIG Staff	<b>Status:</b> Final
<b><u>Subject of Review</u></b> Grand Isle Volunteer Fire Company #1		

**STANDARDS**

Pursuant to the Jefferson Parish Code of Ordinances (JPCO) §2-155.10(11) (a), the Jefferson Parish Office of Inspector General (JPOIG) initiated a follow-up review of JPOIG’s audit report numbered 2014-0043 dated 03/23/2016. The original audit period was from 01/01/2011 to 12/31/2013.

**ACRONYMS**

The following acronyms appear in the document:

- CEA** Cooperative Endeavor Agreement
- JPOIG** Jefferson Parish Office of Inspector General
- GIVFC** Grand Isle Volunteer Fire Company #1
- GIVES** Grand Isle Volunteer Emergency Services, Inc.
- OFS** Office of Fire Services

**INTRODUCTION**

The Jefferson Parish Office of Inspector General (JPOIG) performed an audit of Grand Isle Volunteer Fire Company #1. The focus of the original report was to determine if Grand Isle Volunteer Fire Company #1 received and expended restricted governmental millage funds appropriately. The scope and objective of the original audit considered relevant financial data, systems, personnel, and other information to provide assurance of sufficient internal controls, and legal compliance.

On 03/23/2016, the JPOIG issued a public report titled, “Grand Isle Volunteer Fire Company,” which included a response by the Parish Administration, no response was received from the GIVFC. A copy of the full report can be located at [www.JPOIG.net](http://www.JPOIG.net). The audit resulted in twelve (12) findings. The JPOIG observed several deficiencies in the GIVFC’s internal control system that contributed to instances of noncompliance, unsupported payments, and questionable purchases. Specific areas of concern involved the inappropriate use of restricted funds, inadequate supporting documentation, conflicts of interest, and payroll irregularities.

The JPOIG selected a follow-up testing period, which includes recent processes, transactions, and records (01/01/2020 through 04/30/2021).

## **BACKGROUND**

The cost of fire suppression services for Grand Isle is met by the revenue generated from a special district, Fire Protection District No. 9.<sup>1</sup> On 04/30/2011, the residents of Grand Isle voted to authorize the continued levy and collection of a tax of twenty (20) mills on all property subject to taxation for ten (10) years, beginning in 2011. Since 2014, the millage generated \$5,689,994 in revenue for Fire Protection District No.9, see Table #1.

The Parish, on behalf of the Fire Protection District No. 9, contracts for fire protection with the Grand Isle Volunteer Fire Company #1 (the GIVFC). The GIVFC is registered with the Louisiana Secretary of State as a non-profit corporation.<sup>2</sup> On 03/13/2018, the Parish entered into a Cooperative Endeavor Agreement (CEA) with the GIVFC to provide fire protection services for Grand Isle. This is the most recent CEA entered into between the Parish and the GIVFC to provide fire protection for Grand Isle. The Parish funds the GIVFC with the revenue generated by the millage via monthly electronic deposits directly to their operating bank account.

Table #1	
Millage Revenue	
Year	Revenue Received
2014	\$660,000
2015	\$660,000
2016	\$809,994
2017	\$810,000
2018	\$910,000
2019	\$970,000
2020	\$870,000
<b>Total</b>	<b>\$5,689,994</b>

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### **Objective**

The primary objective of this follow-up audit was to determine if the Parish and GIVFC had effectively implemented the recommendations in the JPOIG’s original audit. The JPOIG also assessed the status of the actions that were committed to during the original response, as well as, any other corrective measures that impacted the original report’s findings and recommendations.

### **Scope and Methodology**

To accomplish the above objectives, we performed the following procedures:

- Interviewed individuals internal and external to the GIVFC;
- Observed physical assets through inspection, to include fire station and movable assets;
- Obtained payroll records, records of assets, banking records, bills and invoices, titles to movable assets, and additional financial records;
- Reviewed policies, procedures, and other documents relevant to governance;
- Reviewed relevant contracts with the Parish;

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<sup>1</sup> Fire Protection District No. 9 is one of several fire protection districts. Each of these districts generate revenue for fire suppression. Fire Protection Districts Nos. 3-9 receive fire protection services through Parish contracts with various private fire companies.

<sup>2</sup> At the date of this report, the GIVFC was not in good standing with the Louisiana Secretary of State for failing to file its Annual Report.

- Reviewed and assessed information gathered from the Parish’s financial management system (AS400), to include review of disbursements by the Parish to the GIVFC and associated entities; and
- Performed analysis on certain sets of data and analyzed across seven (7) key areas: (1) governance; (2) cash-in-bank; (3) payroll; (4) operating expenditures; (5) fuel expenditures; (6) equipment; and (7) compliance with the Parish contract.

Table #2 <b>Follow-up Testing Results</b>			
Testing Areas	# Exception	Total Tested	%
Payroll Expenses	660	660	100%
Operating Expenses	61	69	88%
Fuel Expenses	6	110	5%
Vehicles and Equipment	26	26	100%
<b>Totals:</b>	<b>753</b>	<b>865</b>	<b>87%</b>

Table #2 illustrates the number of transactions tested within the scope of the follow-up audit. This data was obtained via GIVFC records and data, as well as, the Parish accounting system. As indicated, 87% of the total transactions tested resulted in an exception.

The original audit of Grand Isle Volunteer Fire Company resulted in twelve (12) findings as depicted in Table #3. The review determined that finding #12 had been resolved by the Parish Administration, the remainder of the findings were directed to the GIVFC and remain unresolved.

The overall results of this follow up revealed little to no improvement in internal controls, asset management, compliance with state and local laws, nor the establishment of policies and procedures to prevent fraud, waste and abuse.

Table #3 <b>Follow-Up Summary</b>				
Finding	Topic	Resolved	Unresolved	Resolved in-part
#1	Paying Expenses for a Separate Non-Profit Entity		✓	
#2	Undocumented Fuel and Fuel Purchased for GIVES		✓	
#3	Inadequate Documentation of Grocery Expenses		✓	
#4	Lack of Controls Over Payroll		✓	
#5	Gratuitous Alienation of Public Funds		✓	
#6	Issuance of Checks to Cash		✓	
#7	Payment of Travel Per Diems for Personal Travel		✓	
#8	Purchases Were Made by Individuals Not Employed by GIVFC		✓	
#9	Lack of Policies and Procedures for Hurricane Protocols		✓	
#10	Lack of Adequate Documentation of the Disposals of Vehicles		✓	
#11	Expenditure of Millage Funds for Cell Phones		✓	
#12	Parish Failed to monitor the operations of VFC Companies	✓		

## **CONCLUSION**

Upon initiation of the follow-up audit, the JPOIG made a series of routine requests for information necessary to assess the status of the findings. The GIVFC failed to meaningfully respond to the JPOIG's requests for information needed to perform the follow-up audit from 08/07/2020 to 05/04/2021.

In accordance with the JPOIG's internal procedures for follow-up audits, it was determined that a full audit of the entity would be performed within an expanded period. The data received during the full audit was sufficient to assess and determine the status of the findings as reflected above.

The reader is encouraged to review the full audit report 2021-0026, which will be issued to the public on 02/17/2022, for additional information relevant to the findings and recommendations noted by the JPOIG. The report will be available on [www.JPOIG.net](http://www.JPOIG.net).

**FOLLOW-UP RESULTS**

The three (3) potential categories of corrective action are:

1. Resolved - The Department/Parish/Entity has implemented actions that have, or should if implemented; resolve the core findings/concerns noted in the original report.
2. Resolved, in part - The Department/Parish/Entity has implemented actions in response to the audit but the actions do not fully address the findings/concerns raised in the original report.
3. Unresolved – The Department/Parish/Entity has not implemented actions that resolve the core findings/concerns noted in the original report and/or rejected the recommendation in the original report.

For each finding in the JPOIG’s original audit report, below is a summation of each of the original recommendations, including the Parish Administration’s response, and the JPOIG validation results.

<b>Finding #1</b>	<b>Paying Expenses for a Separate Non-Profit Entity</b>	<b>Unresolved</b>
<b>JPOIG Recommendation</b>		
<p>The contractual relationship between the GIVFC and the GIVES resulted in a blending of the operations. Both entities operated from the GIVFC facility and jointly administered payroll, accounting, and other administrative services. The Parish should consider a single millage approach to providing unified services. This approach may result in the elimination of duplicative administrative expenses.</p> <p>In the alternative, the respective the GIVFC’s and the GIVES’ millage funds should be maintained in separate bank accounts through final expenditure. Policy and procedure should be in place that address allowable shared expenses and the mechanism for ensuring that millage funds are only expended to support their dedicated purpose under the millage and any requirements stated in the contractual agreement with Jefferson Parish.</p>		
<b>Administration’s Response</b>		
<p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<b>Validation Results</b>		
<p>In 2007, it appears that the GIVFC signed a CEA with GIVES #1. The JPOIG was unable to obtain a copy of this agreement. The 2007 CEA, in part, allowed for the transfer of millage funds generated for the Ambulance Service District No. 2 into the control of the GIVFC.<sup>3</sup></p>		

<sup>3</sup> 2007 [Annual Audited Financial Statements, Note D-Detailed Notes on All Activities and Funds, 3. Contracted Services](#)



In 2011, it appears that the GIVFC signed a second CEA with GIVES #1. The JPOIG obtained a copy of the CEA between the GIVFC and the GIVES #1 dated 2011 (exact date uncertain) signed by Chris Santiny, as President of the GIVFC, and Aubrey Chaisson, as President of the GIVES.<sup>4</sup>

The purported CEAs between the GIVFC and GIVES provides that GIVFC will act as “paymaster” on behalf of GIVES. In addition, the GIVFC agreed to provide all administrative and accounting services on behalf of the GIVES.

The JPOIG was unable to locate any policies or procedures related to actual expenditures concerning the funds remitted from the GIVES to the GIVFC under the auspices of the 85% provision. The resulting payments made were not adequately supported with documentation to ensure the expenditures were in accordance with current millage restrictions. Consequently, the JPOIG is unable to determine if the funds received from the Parish by GIVES or GIVFC were expensed for the purposes mandated by law. As a result, the finding remains unresolved.

<b>Finding #2</b>	<b>Undocumented Fuel and Fuel Purchased for GIVES</b>	<b>Unresolved</b>
<b>JPOIG Recommendation</b>		
<p>The GIVFC should strengthen its internal controls and documentation of fuel expenses through the development of a formal fuel policy. The GIVFC should require all charge tickets and/or a running fuel log including documentation of the odometer reading, number of gallons dispensed, price per gallon, vehicle description, and the name and signatures of the individual fueling the vehicle, as well as documentation of the supervisory approval. The GIVFC should also include the aforementioned documentation for any gas can purchases. The charge tickets for gas can purchases should include the specific equipment using the fuel in the gas cans. The GIVFC should also ensure each vehicle has unique identification numbers that are used consistently going forward.</p>		
<b>Administration’s Response</b>		
<p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<b>Validation Results</b>		
<p>The GIVFC does not have a written policy for the delivery of fuel to the company’s vehicles or the payment of fuel invoices. The GIVFC expended approximately \$4,376 per year on fuel purchases during the audit period. The GIVFC does not use a third-party fueling system, nor does it maintain fuel purchase cards. All vehicles are fueled at a local gas station, and the GIVFC has arranged a line of credit with the local fuel company to be used for fuel purchases. There is no supervisory approval process over the expenditure of fuel, and of the 110 transactions tested there</p>		

<sup>4</sup> Aubrey Chaisson was also in the Fire Chief for GIVFC at the time.

were 6 instances where the fuel did not go to GIVFC vehicles. As a result, the recommendation remains unresolved.

**Finding #3**

**Inadequate Documentation of Food Expenses**

**Unresolved**

**JPOIG Recommendation**

Jefferson Parish should specify meal/grocery limitations in its agreements with volunteer fire companies. In accordance with state law, the Parish should incorporate criteria in its fire protection contract requiring enhanced documentation of grocery/meal expenses.

The GIVFC should develop a formal written policy for the purchase of groceries/meals. The policy should include grocery/meal limitations, as well as encourage enhanced documentation of grocery/meal expenses by requiring the following:

1. identification of the purchaser and the related signature;
2. identification of the approver of the purchase and the related signature;
3. public purpose served;
4. date, time, and duration of the meeting; and
5. names of the attendees.

The GIVFC should consider developing a form to make the implementation of such documentation efficient.

**Administration's Response**

“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”

**Validation Results**

The GIVFC has not developed a formal written policy for the purchase of groceries/meals; however, of the 69 operating expenses tested, 4 were for grocery related expenses. As a result, the recommendation remains unresolved.

**Finding #4**

**Lack of Controls Over Payroll**

**Unresolved**

**JPOIG Recommendation**

In instances of hiring contract workers, the GIVFC should ensure it documents the hiring and payroll process of contract workers. Additionally, the GIVFC should not hire any members of its board as it may present a conflict of interest and obstruct the appearance of independence. Additionally, supervisors should review timesheets before providing approval.

**Administration’s Response**

“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”

**Validation Results**

The JPOIG reviewed the GIVFC’s internal accounting policies over timekeeping and payroll and determined that the policies did not reflect actual payroll check production practices. There were no written policies and procedures for annual leave, including the approval/usage of vacation time, sick time, or cash payments of accrued leave. All of the 660 payroll transactions tested resulted in an exception, largely due to questionable or disallowed expenditures including but not limited to the lack of timekeeping approvals, over-accruals of employee leave, leave cash payments, and a high volume of overtime payments. As a result, the recommendation remains unresolved.

<b>Finding #5</b>	Gratuitous Alienation of Public Funds	<b>Unresolved</b>
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**JPOIG Recommendation**

The GIVFC should review the nature of transactions to determine the appropriateness of each expense from its public bank accounts. Transactions of a gratuitous nature should be avoided or expended from the GIVFC’s private bank account.

**Administration’s Response**

“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”

**Validation Results**

The GIVFC’s policies and procedures state that purchases should be made through a documented purchase order system with proper managerial approval. The JPOIG reviewed the general ledger and purchase invoices and noted that no formal or documented purchasing system was in place. The JPOIG also noted that neither the Fire Chief nor the Board President documented their approval for the payment of invoices. As a result, the JPOIG was unable to determine the full propriety of each expense. As a result, the recommendation remains unresolved.

<b>Finding #6</b>	Issuance of Checks to Cash	<b>Unresolved</b>
<b>JPOIG Recommendation</b>		
<p>The GIVFC should prohibit the issuance of checks written to cash by written policy. The signatory agents should not authorize such checks.</p>		
<b>Administration's Response</b>		
<p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<b>Validation Results</b>		
<p>The JPOIG reviewed 69 operating expense transactions, and none of those transactions were noted as cash payments. Although there were no instances of checks made to cash, the JPOIG noted that there were no formal written policies and procedures, or internal control systems implemented to prevent or detect the issuance of checks made to cash. As a result, the JPOIG determined this recommendation remains unresolved.</p>		

<b>Finding #7</b>	Payment of Travel Per Diems for Personal Travel	<b>Unresolved</b>
<b>JPOIG Recommendation</b>		
<p>The GIVFC should prepare a formal per diem policy that mirrors its agreement with the Parish and state law. The policy should require the GIVFC to document the public purpose for each per diem.</p>		
<b>Administration's Response</b>		
<p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<b>Validation Results</b>		
<p>GIVFC has not adopted a written per diem policy that mirrors its agreement with the Parish and state law. As a result, the recommendation remains unresolved.</p>		

<b>Finding #8</b>	<b>Purchases Were Made by Individuals Not Employed by GIVFC</b>	<b>Unresolved</b>
<p><b>JPOIG Recommendation</b></p> <p>The GIVFC should only allow staff to make approved purchases on the GIVFC’s account. The GIVFC should establish a formal fuel and grocery management policy that includes procedures on fuel and grocery purchases.</p>		
<p><b>Administration’s Response</b></p> <p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<p><b>Validation Results</b></p> <p>The JPOIG noted that the GIVFC has four (4) authorized signers on each of the company’s four (4) bank accounts with South Lafourche Bank &amp; Trust; the Fire Chief, the Assistant Fire Chief, the Logistics Chief, and former Board President are authorized signers. The previous Board President is still a signatory on the account while the current Board President is not. The current Board President assumed that role in 2019.</p> <p>Each check requires two (2) signatures. The Assistant Fire Chief and Logistics Chief are signatories and are responsible for the creation and maintenance of the GIVFC accounting records. The Assistant Fire Chief and the Logistics Chief have access to the GIVFC’s (1) bank accounts; (2) bank statements; (3) checks; (4) and internal accounting records.</p> <p>Although the GIVFC has taken steps to limit the access to parish funds, there is still an individual who is not employed by the GIVFC with access to parish funds. In addition, the fact that the Assistant Fire Chief and Logistics Chief are signers presents a lack of segregation of duties.<sup>5</sup> As a result, the recommendation remains unresolved.</p>		

<sup>5</sup> The GAO Standards for Internal Control, commonly known as the Green Book, is a recognized authoritative source used by government finance professionals. Section 10.312 states: Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

**Finding #9**

Lack of Policies and Procedures for Hurricane Protocols

**Unresolved****JPOIG Recommendation**

The GIVFC should establish a written policy that requires documentation such as receipts as well as the employee staying in each room. The policy should outline guidelines that address the reasonableness of the hotel expenses.

The GIVFC should evaluate whether paying for hotel rooms for its board members during emergency events is reasonable or a gratuitous alienation of public funds. The GIVFC stated that it reserves rooms at a hotel outside of Grand Isle for all paid employees so that the employees are available to safeguard fire equipment during the storm. The fire company averages 25 paid employees, and as such, should evaluate the necessity to expend funds on its board members' hotel stay when a sufficient number of paid firefighters are available to safeguard the equipment located offsite.

**Administration's Response**

"These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council's authority as Jefferson Parish Protection District #9. It is the administration's belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative."

**Validation Results**

The JPOIG reviewed the GIVFC policies and procedures. The GIVFC has not established a written policy that requires documentation for hotel stays, such as receipts and room occupancy records. The GIVFC stated that GIVFC employees stayed at the Grand Isle Fire Station during declared emergencies to safeguard fire equipment during the storm. However, as part of the review of transactions and records during the follow-up audit period, the JPOIG noted instances of hotel expenses and per diems paid to employees. The JPOIG could not determine if hotel expenses were reasonable and represented pre-approved business travel or a gratuitous alienation of public funds. As a result, the recommendation remains unresolved.

<b>Finding #10</b>	Lack of Adequate Documentation of the Disposals of Vehicles	<b>Unresolved</b>
<p><b>JPOIG Recommendation</b></p> <p>The GIVFC should create a fixed asset policy and implement procedures that allow it to maintain a complete and accurate fixed asset inventory listing. The policy should include procedures regarding proper documentation of the disposal of assets, as well as consistent identification numbers for its vehicles.</p>		
<p><b>Administration's Response</b></p> <p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<p><b>Validation Results</b></p> <p>The JPOIG was provided with a fixed asset inventory. During testing, the JPOIG determined that the listing was inaccurate. GIVFC does not have a policy in place to address procedures regarding the proper documentation of the acquisition or disposal of assets, nor do they have a consistent identification numbering system for their vehicles. As a result, the recommendation remains unresolved.</p>		

<b>Finding #11</b>	Expenditure of Millage Funds for Cell Phones	<b>Unresolved</b>
<p><b>JPOIG Recommendation</b></p> <p>The JPOIG noted during the original audit that the GIVFC paid for certain employee’s cell phone invoices. During the course of the original audit, the GIVFC stopped the practice of paying cell phone bills for its staff. The JPOIG recommends that the GIVFC institute a policy that prohibits the payment of personal cell phone invoices for GIVFC employees.</p>		
<p><b>Administration's Response</b></p> <p>“These findings are in regards to the customs and practices of the Grand Isle Volunteer Fire Department. The Jefferson Parish Council authorized and executed the Fire Protection Agreement with the Grand Isle Volunteer Fire Department based on the Jefferson Parish Council’s authority as Jefferson Parish Protection District #9. It is the administration’s belief that these findings will have to be addressed by the Grand Isle Volunteer Fire Department of their representative.”</p>		
<p><b>Validation Results</b></p> <p>The GIVFC stated it stopped the practice of paying cell phone bills for its staff. However, GIVFC records showed that during the audit period, the fire company did pay the monthly cell phone bill for the Assistant Fire Chief. As a result, the recommendation remains unresolved.</p>		

<b>Finding #12</b>	Parish Failed to Monitor the Operations of VFC Companies	<b>Resolved</b>
<p><b>JPOIG Recommendation</b></p> <p>Jefferson Parish should implement a monitoring process that permits regular and consistent evaluation of compliance with the fire protection contracts. The Parish should consider tasking an entity within the Parish Administration to develop and implement a compliance assurance review and determine other areas in which the Parish can assist in streamlining policies and procedures.</p>		
<p><b>Administration’s Response</b></p> <p>“This Administration since taking office in January [2016] has been reviewing the parishes past policies dealing with contract monitoring and compliance measures. The Administration agrees with the recommendation of the Inspector General that the Parish should implement a monitoring process that permits regular and consistent evaluation of compliance with the fire protection contracts. The Administration also agrees with the finding that an entity within the Parish Administration should develop and implement a compliance assurance review and determine other areas in which the Parish can assist in streamlining policies and procedures.</p> <p>In order to accomplish this, the Administration will review all Fire Protection Agreements and amend them as necessary to provide the Parish with better oversight and control. This will be accomplished by requiring the recipient to provide financial information on a monthly basis. Said information would include expenses such as payroll, equipment and capital expenses. The Administration is also of the opinion that such oversight is necessary to ensure the funds are being used in the manner that the millage is dedicated. The Administration will also verify that the GIVFD is maintaining training levels consistent with the National Fire Protection Association as set forth in section III of the agreement.</p> <p>Initially, the Administration will delegate the Finance Director with the task of overseeing this process. This responsibility will eventually be handled by an administrator from within the Fire Services Department.”</p>		
<p><b>Validation Results</b></p> <p>The Parish Administration and Parish Council created the Office of Fire Services (OFS) as a department within Parish government vested with the duties and responsibilities of managing the cooperative endeavor agreements between the Parish and all of the VFCs, including the GIVFC.<sup>6</sup> The OFS is a function that engages in oversight of VFC fiscal operations and has been discussed in previous JPOIG reports.<sup>7</sup></p> <p>Many of the issues identified in this report are both the responsibility of the GIVFC and also fall within the oversight of the OFS, which has the authority to ensure adequate policy and procedure translate into meaningful business practices. The OFS is well-positioned to ensure adequate and demonstrable fiscal controls. As a result, this recommendation is considered to be resolved.</p>		

<sup>6</sup> JPCO §2-212.

<sup>7</sup> JPOIG report #2019-0003. The report discusses the efforts of the OFS and may be accessed via <https://www.jpoig.net/images/2019-0003 - Combined Public Report OFS Sanitized Reduced.pdf>.