



# JPOIG Overview

Live Oak Manor Volunteer Fire Company #2022-0024

February 1, 2024

## Why We Did This Audit

The purpose of the audit was to determine if the Live Oak Manor Volunteer Fire Company's (LOM VFC) internal controls were properly designed and implemented effectively to ensure that funds were spent in accordance with governing laws and the fire district millage restrictions. The JPOIG also assessed the LOM VFC's compliance with the Fire Protection Agreement. The scope period was 01/01/2021 through 12/31/2021 and included all public fund expenditures during that period.

## What We Recommend

LOM VFC should revise their:

- length of service policy and discontinue using public funds for bonuses.
- payroll policy so that all employees and supervisors document their approval on their timesheets.
- expenditure policy and require that purchases be approved and documented prior to purchasing.
- fuel purchase policy to be consistent with the Louisiana Legislative Auditor's Best Practices.

The LOM VFC should also transfer titles of the vehicles worth \$181,500 to District 7, locate the missing titles, and submit an annual vehicle inventory to the OFS.

## What We Found

The audit identified payments that may violate the Louisiana Constitution and/or the Fire Protection Agreement. The LOM VFC paid \$4,230 in bonuses to full-time employees. The audit also revealed the LOM VFC did not comply with the Parish Fire Protection Agreement:

- ❖ The LOM VFC did not submit a current vehicle inventory report to the Office of Fire Services (OFS).
- ❖ The LOM VFC did not title vehicles worth \$181,500 to District 7. No title documentation was maintained for vehicles worth \$303,500. Without proper titles, \$485,000 in vehicles purchased with District 7 funds could be sold, donated or disposed without knowledge or notice to the Parish.

The audit also revealed numerous areas that lacked basic internal controls over payroll, expenditures, vehicles, and fuel:

- ❖ The LOM VFC lacked internal controls over payroll because none of the 55 timecards tested contained evidence of the employee signing the timecard attesting to their hours worked. Employees could be paid for hours not worked, and/or it could result in erroneous payroll satisfied with public funds.
- ❖ The LOM VFC lacked basic expenditure controls which could result in unauthorized or unlawful expenditures. The JPOIG noted that of the 25 expenditures tested:
  - Twenty-three of the expenditures (totaling \$67,833) did not contain evidence of the required written approval by a board member prior to purchase.
  - Employees did not put accurate odometer readings in the fuel management system which could result in fuel being dispensed for personal or unauthorized purposes.

Overall, the audit identified \$687,911 in Funds-At-Risk. These are funds that could be lost, misappropriated, and/or misspent due to error or fraud.

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