



JPOIG Overview

February 1, 2023

Why We Did This Audit

The purpose of the audit was to determine the adequacy of Nine Mile Point Volunteer Fire Company's (NMP VFC) internal controls, to ensure that funds were spent in accordance with governing laws and the fire district millage restrictions, and to assess their 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

NMP 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 the Fire Chief to document his approval prior to an employee making a purchase.

NMP VFC should also (1) develop a policy that requires the Fire Chief to submit vehicle listings to the OFS; (2) develop a policy over fuel purchases, fuel card distribution, take-home vehicles, and review and approval of fuel reports; and (3) transfer title of the five vehicles worth \$1.2 million to District 7.

What We Found

The JPOIG's testing revealed numerous areas that lacked basic internal controls over payroll, expenditures, vehicles, and fuel. The NMP VFC created a policy that allowed full-time employees to receive annual bonuses based on their years of service which totaled \$2,355. Those payments may violate the Louisiana Constitution and the Fire Protection Agreement. The JPOIG also noted thirty-eight percent of the expenditures tested did not contain evidence of written approval prior to payment.

The NMP VFC lacked payroll internal controls that could result in employees being paid for hours they did not work. Of the 126 daily timesheets tested:

- none of the timesheets were signed by the employees.
- seventy timesheets (56 percent) were not signed by the captain on duty.
- none of the Fire Chief's timesheets were reviewed and approved by a Board member.

The NMP VFC did not submit a current vehicle inventory report to the Office of Fire Services (OFS), nor did it title its vehicles to the fire district as required by its contract with the Parish. The vehicles are worth \$1.2 million. The fire district could neither sell nor transfer vehicles without titles. Finally, employees did not put accurate odometer readings in the fuel management system which could result in fuel being dispensed for personal or unauthorized purposes.

The JPOIG also noted several positive findings. The NMP VFC:

- maintained an accurate inventory of vehicles at its stations.
- spent its operating funds in accordance with the Fire Protection Agreement and those expenditures contained sufficient supporting documentation, except for the bonuses noted above.
- complied with federal and state overtime laws.
- prepared and reviewed bank reconciliations properly.

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