



**Jefferson Parish Office of Inspector General**



# **Bridge City Volunteer Fire Company**

## **Audit Report 2022-0028**

### **July 14, 2023**

**Kim Raines Chatelain, Inspector General**

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## EXECUTIVE SUMMARY

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The Jefferson Parish Office of Inspector General (JPOIG) conducted an audit of the Bridge City Volunteer Fire Company (BC VFC). The purpose of the audit was to determine the adequacy of internal controls to ensure that funds were spent in accordance with governing laws and the fire district millage restrictions and to assess BC VFC's compliance with the Fire Protection Agreement, dated 11/15/2017. The scope period of the audit was 01/01/2021 through 12/31/2021 and included all public fund expenditures during that period. The JPOIG performed audit testing in: (1) cash; (2) operating expenditures; (3) payroll; (4) fuel expenditures; and (5) vehicles.

The JPOIG's testing revealed numerous areas that lacked basic internal controls over payroll, expenditures, vehicles, and fuel. The BC VFC created a "Tenure Pay Policy" that allowed full-time employees to receive an additional \$4,120 in annual compensation during the scope period. This program may violate the Louisiana Constitution and the Fire Protection Agreement. The BC VFC also paid off-duty firefighters \$1,693 in public funds to work private fundraisers which may have violated the Fire Protection Agreement.

The JPOIG also noted a lack of payroll internal controls over the Fire Chief's timecards. None of the Fire Chief's timecards were reviewed and approved by a board member, and one timecard did not contain the employee's signature attesting to the hours worked.

Forty-two percent of the expenditures reviewed did not contain written approval prior to purchase. Eight percent of the expenditures did not contain a documented signature on the invoice indicating board approval after the purchase. The JPOIG also noted a lack of internal controls over vehicles and fuel. The BC VFC did not submit a current vehicle inventory report to the Office of Fire Services (OFS), nor did it title all vehicles properly. Without proper title, the fire district did not own vehicles worth \$234,935, and it could neither sell nor transfer them. Finally, employees did not consistently put accurate odometer readings in the fuel management system which could result in fuel being dispensed for personal or unauthorized purposes. Overall, the BC VFC could improve its internal controls and resolve most of the findings if it improved its policies and procedures.

After the JPOIG discussed the report with the BC VFC Fire Chief and President, the BC VFC asserted that they made changes to resolve some findings. Specifically, the BC VFC asserted that they revised their procurement policy to implement spending limits for the Fire Chief. Anything exceeding those limits require a requisition form and Board approval. Additionally, the Fire Chief's timecards must be reviewed and approved by the Board President. The Fire Chief also distributed the fuel policy so that all firefighters know to input accurate odometer readings into the fuel pumps and complete the storage tank fuel log. All firefighters were required to read and acknowledge the policy.

Despite the areas for improvement, the JPOIG also noted several positive findings. The BC VFC:

- maintained an accurate inventory of vehicles at its stations.
- prepared the bank reconciliations properly, and someone other than the preparer reviewed those reconciliations.

## BACKGROUND

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### Acronyms

BC VFC	Bridge City Volunteer Fire Company	OFS	Office of Fire Services
District 7	Jefferson Parish Fire Protection District No. 7	Parish	Jefferson Parish
JPOIG	Jefferson Parish Office of Inspector General	VFC	Volunteer Fire Company

Jefferson Parish (Parish) has seven fire districts, exclusive of the East Bank Consolidated Fire District. Each fire district separately generates revenue to support fire prevention and suppression services within the district. The Parish contracts with individual volunteer fire companies (VFC) to provide fire prevention and suppression within the various districts. Each district may support one or more VFC, and each VFC may operate one or more stations.

The OFS is a department within Jefferson Parish government that oversees VFCs and acts as liaison between the fire companies and the Parish. Among its responsibilities, the OFS is responsible for managing the cooperative endeavor agreements.<sup>1</sup> The BC VFC is a non-profit located within Jefferson Parish's Fire Protection District No. 7 (District 7) which is located on the West Bank. District No. 7 generates approximately \$4.8 million a year for fire prevention and suppression services.<sup>2</sup>

On 11/15/2017, Jefferson Parish entered into a 10-year Fire Protection Agreement with the BC VFC to provide fire prevention and suppression services. Under the terms of the Fire Protection Agreement, the Parish made monthly transfers of approximately \$61,665 (\$739,980 annually) to BC VFC. As of 12/31/2021, BC VFC incurred \$535,414 in payroll expenses and \$420,151 in non-payroll expenses. BC VFC also had \$1,902,346 in total net assets.<sup>3</sup>

The BC VFC operates one fire station, Station 70, located in Bridge City.

In June 2022, the Parish passed Resolution 139888 which authorized the solicitation of statement of qualifications for firms interested in providing a consolidation plan for fire protection districts located on the West Bank of Jefferson Parish. The Parish subsequently selected a firm who will study the feasibility of consolidating fire districts on the West Bank.

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<sup>1</sup> JPCO § 2-213(2).

<sup>2</sup> Jefferson Parish 2022, Annual Budget, Fire District No. 7, p. 215.

<sup>3</sup> Bridge City's Volunteer Fire Company No. 1, Financial Report as audited by Uzee, Butler, Arceneaux & Bowes. As of December 31, 2021.

## I - PROHIBITED EXPENDITURES

BC VFC created a “Tenure Pay Policy” that allowed full-time employees to receive additional annual compensation based on their longevity of service. As shown in Table 1, the award amount ranged from \$25 to \$40 per year of service. For the year ended 12/31/2021, the total amount paid to employees was \$4,120. BC VFC issued the payments from the payroll account at the end of the year and withheld taxes for those payments.

*Table 1: Length of Service Awards Program*

Years of Service	Annual Award Amount
0 – 1	\$25
1 – 25	\$40/year of service <sup>4</sup>

The JPOIG reviewed the BC VFC’s policies and procedures and noted the “Tenure Pay Policy.” To determine the entire amount paid, the JPOIG reviewed supporting documentation for all longevity payments made to employees during the scope period.



**Finding #1:** The BC VFC may have violated the Louisiana Constitution and the Fire Protection Agreement because it spent \$4,120 in public funds on a length of service award program for full-time employees.

### Criteria:

The BC VFC used public funds which were subject to La. Const. art. VII, §14(A), which prohibits the donation of public funds. The Constitution states:

...the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.<sup>5</sup>

The Louisiana Attorney General, developed a three-pronged test to determine if an expenditure is permissible under La. Const. art. VII §14(A):

[I]n order for an expenditure or transfer of public funds to be permissible under Art. VII, Sec. 14(A), the public entity must have the legal authority to make the expenditure and must show: (i) a public purpose for the expenditure or transfer that comports with the governmental purpose the public entity has legal authority to pursue; (ii) that the expenditure or transfer, taken as a whole, does not appear to be gratuitous; and (iii) that the public entity has a demonstrable, objective, and reasonable expectation of receiving at least equivalent value in exchange for the expenditure or transfer of public funds.<sup>6</sup>

<sup>4</sup> Up to twenty-five years of service for a total of \$1,000.

<sup>5</sup> La. Const. art. VII, §14(A).

<sup>6</sup> La. Atty. Gen. Op. No. 09-0018.

The Louisiana Attorney General consistently opined that:

[p]aying an employee extra compensation in addition to what is owed to her for work that has been done in the past when the employer is under no legal obligation to do so is a payment of a bonus.... [T]he payment of a bonus, or any other gratuitous, unearned payment to public employees is prohibited, is not legal as it is a violation of the La. Const. art. VII, Sec. 14(A).... Additionally, [the Attorney General] has previously determined that payments of additional compensation to public employees, to be constitutionally valid, must be in the form of salary increases for future services to be rendered, not extra compensation for past services already rendered and recompensed.<sup>7,8</sup>

By signing the Fire Protection Agreement, the BC VFC acknowledged and agreed to utilize its funding:

*solely* [emphasis added] for the following purposes: (i) to acquire and maintain, trucks, apparatus and other movable equipment... (ii) to purchase insurance policies... (iii) to hire, train, compensate and equip firefighters, operators and officers... (iv) to recruit, train, equip and retain volunteer firefighters... (v) to purchase, construct and maintain immovable property to serve as fire stations, administrative offices, maintenance facilities and warehouses... (vi) to provide for health and physical fitness expenses... (vii) to purchase a plaque, trophy, certificate, medal or similar memento to acknowledge outstanding achievement or valiant act of personnel in an amount not to exceed the value set forth in La. R.S. 40:1510; and (viii) to, in accordance with La. R.S. 40:1510, implement and execute a length of service awards programs... which provides a monetary benefit, based upon service, to eligible *volunteer* [emphasis added] firefighters....<sup>9,10</sup>

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<sup>7</sup> In the context of salary increases, the payment of earned compensation retroactive to the time at which the state or a political subdivision obligated itself to make such a payment is distinguishable from "extra compensation for past services rendered" in that the compensation is not "extra." The compensation due or earned compensation of an employee is that which an employer is required to pay pursuant to its obligation(s) to the employee. It is a payment outside of any such obligation(s) that would constitute "extra compensation for past services rendered" if distributed as a salary increase with retroactive effect. The prospective application analysis should relate to the salary increase being prospective from the point at which the obligation was created.

<sup>8</sup> La. Atty. Gen. Op. No. 09-0260.

<sup>9</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article IV, Payment, p. 9, paragraphs i-viii, dated 11/15/2017.

<sup>10</sup> La. R.S. 40:1510(3) allows for the implementation and execution of a length of service awards program. "[A] length of service awards program shall mean a program established by the... volunteer fire department that provides a monetary benefit, based upon service, to eligible *volunteer* [emphasis added] firefighters as determined by the... volunteer fire department. The length of service awards program shall not be considered a vested right nor entitle the recipient to any other benefit not directly related to the program's monetary benefit. The length of service award shall not be considered permanent and may be discontinued at any time."

However, the Fire Protection Agreement prohibits “awards or gifts; except as otherwise provided herein.”<sup>11</sup> The JPOIG noted the Fire Protection Agreement did not provide a clause that allowed length of service awards for full-time paid firefighters.

**Why This Finding Matters:**

The BC VFC could have used those funds to purchase goods or services related to a public purpose.

**Cause:**

The Fire Chief and administrative staff were not aware of the restriction on public funds. Per discussion with the Fire Chief, the purpose of the length of service award is given to help compensate for low salaries, increase retention, and show appreciation to firefighters. The Fire Chief believed it was legal to provide length of service awards. Although the BC VFC developed a policy that allowed for the length of service program, the policy did not comply with the restrictions on the donation of public funds or the Fire Protection Agreement.

**Recommendation:**

All BC VFC employees who are responsible for procurement, check-signing, and/or processing payroll should: (1) develop a thorough understanding on allowable uses of public funds; (2) revise the length of service policy to comply with the restrictions in the Louisiana Constitution and the Fire Protection Agreement; and (3) discontinue using public funds for their length of service award program.

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<sup>11</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article IV, Payment, p.10, paragraph iii, dated 11/15/2017.

## II – PAYROLL

### Timecard Approvals

The standard pay period for the BC VFC was based on a 24-hour work shift (7:30 am – 7:30 am) and a 14-day pay period. The BC VFC’s defined work period for purposes of calculating overtime was twenty-eight days until May 1, 2021. After May 1, 2021, the defined work period changed to fourteen days. The Fire Chief determined scheduled days off in advance to ensure station coverage. The BC VFC required employees to request unscheduled leave from the Fire Chief at least two weeks in advance.

Each employee filled out their own timecard stating the days and hours worked. At the end of the pay period, each shift captain reviewed their shift’s employee timecards and approved them via signature. The Fire Chief reviewed the shift captain’s timecards and approved them. However, the Fire Chief did not send any of his timecards to the Board for approval. As a result, no one reviewed and approved the Fire Chief’s timecards.

When the BC VFC processed payroll, the Fire Chief reviewed the payroll amounts, hours, and pay rates to ensure that payroll was accurate and correct.



**Finding #2:** The BC VFC neither designed nor implemented proper internal controls for the Fire Chief’s timecards because they were not reviewed and approved by a board member.

Auditors judgementally sampled a different set of four employees’ bi-weekly timecards from pay periods in March, July, and September of 2021. The sample tested consisted of 12 employees and 24 bi-weekly timecards and their corresponding bi-weekly payroll submissions. The JPOIG noted:

- One timecard did not contain the employee’s signature attesting to the hours worked.
- None of the Fire Chief’s two bi-weekly timecards were reviewed and approved by a board member.
- Five timecards contained hours for firefighters who worked at private fish fry fundraising events. Refer to Finding 4.

### **Criteria:**

The Louisiana Legislative Auditor recommends that:

Each employee should complete and sign a time sheet, including daily hours worked, beginning and ending work times, break and lunch times, and leave (e.g., annual and sick) taken. If not using timecards, employees must otherwise certify that they have worked their required hours (e.g., 40 hours/week for a full-time employee).

Time sheets and related leave requests should be approved by each employee’s supervisor prior to payroll processing. Exceptions should be discussed with



employees and resolved in a timely manner. For directors, CEOs, etc., hired by a board, time sheets should be approved by a board member.<sup>12</sup>

**Why This Finding Matters:**

The Fire Chief could be paid for hours he did not work.

**Cause:**

The BC VFC’s Board of Directors did not have a policy to review and approve the Fire Chief’s timecard.

**Recommendation:**

The Board should document a policy that requires the Fire Chief to submit his timecard for review and approval. All employees and supervisors should document their attestations and approvals on the timecards. The Board and Fire Chief should disseminate all new policies to ensure employees comply with any new requirements.

**Firefighter Overtime Pay**

The Fire Chief assigned each firefighter to work a rotating work schedule and grouped firefighters into one of three separate shifts: A, B, or C. All BC VFC firefighting employees worked an overlapping work schedule over a 15-day period. Before May 1, 2021, the 15-day period comprised of employees working 24 hours on duty and 48 hours off duty. After May 1, 2021, the 15-day period was changed to the first 10 days comprising 24 hours on duty and 24 hours off duty, followed by five consecutive days off. The BC VFC paid its employees on a bi-weekly basis, over a total of twenty-six pay periods per year. Each employee had a 28-day work period for the purpose of calculating overtime until May 1, 2021. After May 1, 2021, the BC VFC changed it to a 14-day work period.



**Positive Finding #1: The BC VFC complied with the Code of Federal Regulations and Louisiana state law because it calculated overtime hours properly and accurately paid firefighters for overtime worked.<sup>13</sup>**

The JPOIG judgmentally selected twelve firefighters, recalculated hours worked, determined the overtime hours based on either a 212 or 106-hour work period as described above, and recalculated overtime. The Code of Federal Regulations established the number of hours a firefighter was required to work before earning overtime. According to 29 CFR 553.230(a),

For those employees engaged in fire protection activities who have a work period of at least 7 but less than 28 consecutive days, no overtime compensation is required under section 7(k) [of the Fair Labor Standards Act] until the number of hours worked exceeds the number of hours which bears the same relationship to 212 as the number of days in the work period bears to 28.

<sup>12</sup> Louisiana Legislative Auditor Best Practices. *Payroll/Personnel*, Issued October 2018.

<sup>13</sup> As noted in Finding #4, the BC VFC may have violated the Fire Protection Agreement because it used public funds to pay firefighters for time worked at a private fundraiser. However, this positive finding pertains to the mathematical calculation of overtime worked and paid.

Refer to Table 2 for Maximum Hours Standards.

*Table 2: Maximum Hours Standards*

Work Period (Days)	Max Hours	Work Period (Days)	Max Hours	Work Period (Days)	Max Hours
7	53	15	114	23	174
8	61	16	121	24	182
9	68	17	129	25	189
10	76	18	136	26	197
11	83	19	144	27	204
12	91	20	151	28	212
13	98	21	159		
14	106	22	167		

La. R.S. 33:1944 requires the Parish to adhere to the “provisions of the federal Fair Labor Standards Act, as implemented in 29 CFR Part 553.”<sup>14</sup>

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<sup>14</sup> La. R.S. 33:1944.

### III – EXPENDITURES

#### Expenditure Approvals

The Fire Chief managed all incoming funds and issued checks for all invoices. For expenditure approvals, the approval process depended on who was making the purchase. Either the Fire Chief, an employee, or the BC VFC’s Board could make a purchase. When the Fire Chief made a purchase, he could purchase up to \$1,000 per transaction without needing approval from the Board. However, purchases over \$1,000 needed approval by a board member prior to the purchase. The Fire Chief sought and received approval from a board member by text on his phone. If an employee made a purchase, the employee sought verbal approval from the Fire Chief. If the Board made a purchase, the members discussed the nature of the purchase and approved it during the meeting. This process did not comply with the BC VFC’s Expenditure Guidelines. After an invoice came in for items/service, the Fire Chief took the invoice and verified that a receipt was attached. He then stamped the invoice with an “Approved By” stamp and wrote down the check date, check number, and bank account information. Each issued check required two signatures from either two board members, or the Fire Chief and a board member.

The following individuals were authorized to sign the checks:

- Board President –Salvador Boudreaux;
- Board Vice President – Mike Wells;
- Secretary/Treasurer – Thomas Lambert;
- District Chief – Dale Campagne, Jr.;
- Fire Chief – Gary Girard;
- Assistant Chief – Clarence Lambert; or
- Acting Member Representative – Gerald Ford.

At the next board meeting, a board member reviewed the invoice to make sure the payment matched the information on the invoice and then initialed near the “Approved By” stamp indicating board approval. After board approval, the Fire Chief retained the check and mailed the check for payment.



**Finding #3:** The BC VFC did not design proper approval internal controls because not all expenditures contained evidence of written approval by a board member prior to purchase and after purchase.

The JPOIG judgmentally sampled 24 expenditures, totaling \$97,183, and reviewed the supporting documentation to determine if the expenditures were an allowable use of restricted millage funds. Of the 24 expenditures tested, the JPOIG noted that:

- 24 expenditures (100 percent), totaling \$97,183, did not contain evidence of the required written approval prior to purchase by a board member.
- Two expenditures (8 percent) totaling \$1,821 did not contain a documented signature on the invoice indicating board approval after the purchase.

## Criteria:

The BC VFC's Expenditure Guidelines required that:

All expenditures must be documented with an itemized invoice or receipt from a licensed or registered business... An itemized invoice shows the vendor name and address, department name and address as well as the date, quantity, price, item description, and amount of each item purchased. The treasurer or the chief should document the propriety of each expenditure. The Board should review all expenditures monthly. One board member should initial the invoice. The treasurer or chief should write on the invoice the following: [sic] Date, Check Number, Account assigned to and this shall be initialed by a board member.... The [F]ire [C]hief cannot approve a transaction. All expenditures should be authorized by a board member.<sup>15</sup>

The Louisiana Legislative Auditor recommends that management require appropriate checks and balances for good controls over purchasing and disbursements. More than one individual should be involved in the purchasing and disbursement functions. Management should “centralize the purchasing function” and “implement controls to ensure that purchases are (1) reasonable and necessary; (2) budgeted; (3) documented and approved; (4) received and safeguarded; and (5) used solely for the public purposes/functions of the municipality.”<sup>16</sup>

Additionally, the Louisiana Legislative Auditor recommends that management:

implement a purchase order system that requires certain documentation to be generated before a purchase can be made and before a disbursement is made. Documentation is to include the following:

- Purchase order – The purchase order form must clearly describe the item(s) and quantities to be purchased, be signed by the person/department making the request, and be approved in writing by a designated municipal official. The clerk is to verify that adequate funds are budgeted and available....
- Receiving report – documentation/evidence that the items (e.g., supplies, materials) were actually received by the municipality (signed by the employee receiving items).
- Invoice – documentation/evidence from the vendor of the services or materials provided to the municipality.
- Approval – verification by both the clerk and mayor (e.g., initials and date) that documentation is present to support the payment and the amount owed is correct. The invoice must be attached with the purchase order and receiving report and be provided to the mayor for review/approval before the disbursement is made.<sup>17</sup>

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<sup>15</sup> Bridge City Volunteer Fire Company No. 1. *Expenditure Guidelines*.

<sup>16</sup> Louisiana Legislative Auditor Best Practices. *Purchasing and Disbursements*, Issued October 10, 2014.

<sup>17</sup> Louisiana Legislative Auditor Best Practices. *Purchasing and Disbursements*, Issued October 10, 2014.

### Why This Finding Matters:

The BC VFC could incur expenditures that are not authorized or allowed by law.

### Cause:

The BC VFC's process for approving expenditures was not documented in its Expenditure Guidelines and/or it did not comply with its Expenditure Guidelines. For example, the Fire Chief's assertion that he could purchase up to \$1,000 per transaction without needing approval from the Board was not in the BC VFC's policy. Additionally, the Fire Chief asserted that he verbally approved expenditures requested by his firefighters. The policy prohibits the Fire Chief from approving transactions. Also, the Expenditure Guidelines were deficient because it did not include the basic internal controls recommended by the Louisiana Legislative Auditor.

### Recommendation:

The BC VFC should revise their policy to require that purchases be approved and documented prior to procurement and records are retained. For recurring expenditures (e.g., utilities), this could include the Board approving a budget at the beginning of the calendar year, amending the budget if necessary, and approving expenditures after they are incurred at their monthly meetings. The Board should develop and approve a budget for all foreseeable expenditures in the calendar year and revise/reapprove the budget as necessary. The Board's monthly review of documents regarding expenditures should also include that all approvals needed prior to purchase are part of the documents reviewed. If any prior approvals are missing, then the Board should follow-up, document, and resolve the discrepancy before initialing the invoice. The Fire Chief could also approve expenditures before they are incurred to ensure operational efficiency and in the case of emergency disasters. However, all expenditures should be reviewed by the Board.

### Allowability of Expenditures

The JPOIG noted all twenty-four expenditures tested were an allowable use of restricted millage funds. Those expenditures contained proper supporting documentation and appeared to be incurred for a public purpose. However, during payroll testing, the JPOIG noted five instances where the BC VFC paid three firefighters to work private fish fry fundraising events. The JPOIG noted these events occurred each Friday from 02/26/2021 through 03/26/2021 and coincided with Lent.<sup>18</sup> To determine the total amount spent on payroll, the JPOIG reviewed all timecards coinciding with Lent for all firefighters. The JPOIG noted 20 instances where the BC VFC paid eight off-duty firefighters a total of \$1,693 in public funds to work private fish fry fundraising events.<sup>19</sup> BC VFC paid overtime to all off-duty firefighters. The funds generated from these events were for private use, and the BC VFC did not deposit those funds into its public bank accounts.



**Finding #4: The BC VFC paid eight off-duty firefighters a total of \$1,693 in public funds to work fish fry fundraising events to raise *private* funds for the BC VFC which may have violated the Fire Protection Agreement.**

<sup>18</sup> Lent is a religious 40-day season of prayer, fasting, and almsgiving that begins on Ash Wednesday and ends at sundown on Holy Thursday. During Lent, there is a tradition of abstaining from meat on Fridays.

<sup>19</sup> The JPOIG did not count payroll expenses incurred for on-duty firefighters who worked the fish fry because those cost would have been incurred regardless of the fish fry event.

### Criteria:

The BC VFC receives public funds generated from special tax from the Fire Protection District #7 dedicated to “acquiring, constructing, improving, providing, maintaining or operating the District’s fire protection facilities and equipment within and for the District.”<sup>20</sup> Under state law, “[t]he proceeds of any special tax shall constitute a trust fund to be used exclusively for the objects and purposes for which the tax was levied.”<sup>21</sup> The Louisiana Attorney General has consistently opined that a governing authority may not use the proceeds of a special tax for something other than the purpose for which it was levied even where the proposed use is closely related to the purpose for which the tax was levied.<sup>22</sup>

By signing the Fire Protection Agreement, the BC VFC agreed to utilize its funding:

*solely* [emphasis added] for the following purposes: (i) to acquire and maintain, trucks, apparatus and other movable equipment... (ii) to purchase insurance policies... (iii) to hire, train, compensate and equip firefighters, operators and officers... (iv) to recruit, train, equip and retain volunteer firefighters... (v) to purchase, construct and maintain immovable property to serve as fire stations, administrative offices, maintenance facilities and warehouses... (vi) to provide for health and physical fitness expenses... (vii) to purchase a plaque, trophy, certificate, medal or similar memento to acknowledge outstanding achievement or valiant act of personnel in an amount not to exceed the value set forth in La. R.S. 40:1510; and (viii) to, in accordance with La. R.S. 40:1510, implement and execute a length of service awards programs... which provides a monetary benefit, based upon service, to eligible *volunteer* [emphasis added] firefighters....<sup>23</sup>

The use of public dollars to pay firefighters overtime to work fish fries to raise private funds for the BC VFC is an impermissible use and conversion of public funds for private gain.

### Why This Finding Matters:

The BC VFC could have used those funds to purchase goods or services related to a public purpose. The Parish Council could give notice of a demand for reimbursement from BC VFC. The Fire Protection Agreement states:

[t]he failure of either party to cure any breach of contract after receipt of fifteen (15) days written notice [shall constitute a default].... Upon default of either party, the non-defaulting party may elect to pursue any remedy available at law including,

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<sup>20</sup> Proces Verbal of the Canvass of the Votes Cast at the Special Election Held in Fire Protection District No. 7 of the Parish of Jefferson, State of Louisiana (The “District”), on Tuesday, November 6, 2018.

<sup>21</sup> La. R.S. 39:704.

<sup>22</sup> See Attorney General Opinion 98-369, opining that the transfer of tax proceeds from the Hospital District to the Ambulance District without the authorization of the electorate would violate the legal principles established by statute and jurisprudence, citing La. R.S. 39:704 and *Helmver v. Richland Parish School Board*, 76 So. 585 (La. 1917); *Watkins v. Ouachita Parish School Board*, 136 So. 591 (La. 1931); *Hodnett v. Monroe City School Board*, 277 So.2d 598 (La.App. 2<sup>nd</sup> Cir. 1972) and *Brock v. St. James Parish Council*, 407 So.2d 1265 (La. App. 4<sup>th</sup> Cir. 1981).

<sup>23</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article IV, Payment, p. 9, paragraphs i-viii, dated 11/15/2017.

but not limited to declaring this entire Agreement to be terminated.<sup>24</sup>

**Cause:**

The Fire Chief and administrative staff were not aware of the restriction on public funds.

**Recommendation:**

All BC VFC employees who are responsible for processing payroll should: (1) develop a thorough understanding of allowable uses of public funds; and (2) discontinue using public funds for their fundraising events.

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<sup>24</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article VI, Default, p.11, paragraphs (a) and (f), dated 11/15/2017.

## IV – VEHICLES

### Vehicle Titles

The BC VFC maintained a fleet of seven fire vehicles as shown in Table 3. These vehicles varied from large fire suppression/heavy rescue vehicles to boats and pick-up trucks. The Fire Chief's take home vehicle was the 2019 Chevrolet Tahoe.

*Table 3: BC VFC Vehicle Inventory*

Item No.	Vehicle Year	Description	Cost
1	2007	SROT Boat	\$24,290
2	2013	Ferrara Freightliner	\$190,975
3	2018	Continental Cargo Trailer	\$5,413
4	2019	Chevrolet Tahoe	\$33,679
5	2020	Ferrara Fire Pumper	\$520,827
6	2014	Ford Expedition	\$43,960
7	2022	Ford F250	\$39,802
<b>Total</b>			<b>\$858,947</b>



**Finding #5:** The BC VFC did not comply with the Fire Protection Agreement because it did not submit a current vehicle inventory report to the OFS, nor did it title all vehicles in District 7's name.

The JPOIG inspected all vehicle titles and noted that two of the seven vehicles were titled to the BC VFC instead of District 7. The two vehicles cost a total of \$234,935.

### **Criteria:**

The Fire Protection Agreement required:

...[the] Company [to] furnish the District with a list of all property [costing \$500 or more]. Thereafter, upon reasonable notice to Company, the District will have access to Company's premises and records to make whatever verification it feels may be required.<sup>25</sup>

The Fire Protection Agreement also required all:

apparatus, equipment, and vehicles purchased [with public funds] shall be the property of [the] District and shall be titled in the name of [the] District.<sup>26</sup>

<sup>25</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article I, Obligations of the Company, Section 3, p. 4-5, paragraph h, dated 11/15/2017.

<sup>26</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article I, Obligations of the Company, Section 3, p. 4, paragraph d, dated 11/15/2017.



### **Why This Finding Matters:**

The OFS may not know if assets were missing or misappropriated. District 7 does not own vehicles worth \$234,935, and it can neither sell nor transfer them.

### **Cause:**

The OFS did not have a process to request or collect uniform vehicle inventory reports from all volunteer fire companies.<sup>27</sup> The BC VFC Fire Chief was not aware that vehicles purchased prior to the contract signed on 11/15/2017 were titled to Bridge City.<sup>28</sup>

### **Recommendation:**

The BC VFC should develop a policy that requires the Fire Chief to submit its vehicle listing to OFS annually. The OFS should also:

1. Develop a policy that requires all VFCs to submit an annual inventory count;
2. Request and review the inventory counts annually; and
3. Follow-up with the Fire Chief to resolve any discrepancies.

The Fire Chief should review the Fire Protection Agreement to ensure he is aware of all requirements. The BC VFC should also transfer the title of all vehicles to District 7.

### **Vehicle Listings**

The JPOIG obtained the BC VFC's vehicle listing, verified completeness of the listing, and physically inspected all seven vehicles at the fire station.



**Positive Finding #2: The BC VFC complied with the Fire Protection Agreement because it maintained an accurate inventory of all vehicles held at the fire station.**

The Fire Protection Agreement required:

...the District and Company [to] cooperate with one another to prepare an inventory of each asset and piece of equipment owned by the District with an initial purchase cost of five hundred (\$500.00) dollars or more utilized by [the] Company.<sup>29</sup>

<sup>27</sup> The Fire Chief asserted that he submitted the inventory reports to the OFS, but neither the Fire Chief nor the OFS could produce the reports to the JPOIG.

<sup>28</sup> A title serves as the proof of ownership and includes identifying information about the vehicle, such as its make, model, and vehicle identification number. A title is essential for registering or selling a vehicle.

<sup>29</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article I, Obligations of the Company, Section 3, p. 4-5, paragraph h, dated 11/15/2017.

## V – FUEL PURCHASES

In 2021, the BC VFC spent \$6,067 to fuel their vehicles and gas tanks with fuel transaction cards by a fuel company, Wex. Each of the seven vehicles was assigned a fuel card that was kept in the glove compartment. Each employee was assigned their own identification number to purchase fuel. Each employee was required to use the fuel card assigned to the vehicle and input their unique identification number and the odometer reading into the fuel management system before they could purchase fuel. In addition, the BC VFC has one fuel card for other miscellaneous purchases such as, fuel for lawn mowers, fuel for power equipment, etc. The BC VFC had a discipline policy stating that the failure to follow policy is considered a minor infraction, which escalates with each repeated infraction.

The BC VFC had two storage tanks. One storage tank was a metal container currently in the back of a 2022 Ford F250 pickup truck labeled Unit 719. The tank contained two different sections for storage. One section can store sixty gallons of gasoline fuel and the other stores forty gallons of diesel fuel. The BC VFC had a log tracking fuel usage from the storage tank located in Unit 719. The log contained the date fuel was dispensed from the tank, the person taking the fuel out of the tank, the amount of fuel, the type of fuel used, and the truck or piece of equipment receiving fuel. The BC VFC used the fuel cards to purchase fuel for this storage tank.

The second storage tank was a large stationary tank kept in one of their garages. This storage tank can hold up to three hundred gallons of fuel. The tank was utilized to store fuel for use during Hurricane Ida. The BC VFC did not have a log tracking fuel usage from this tank and purchased the fuel at a Shell gas station using a check.



**Finding #6: The BC VFC did not design nor implement proper internal controls over fuel transactions because employees did not put accurate odometer readings in the fuel pump systems and did not reconcile fuel usage from the storage tanks.**

For the Wex fuel card transactions, the JPOIG tested 100 percent of all fuel transactions during the scope period, for a total of 111 transactions costing \$6,067. The JPOIG reviewed documentation and noted it was sufficient for tracing the volume of fuel purchased and the employee who pumped the fuel. Furthermore, management reviewed and approved each report. However, of the 111 fuel transactions, the JPOIG noted twelve transactions (11 percent) in which an employee did not put an accurate odometer reading into the fuel pump system. The fuel costs for these transactions totaled \$467.<sup>30</sup> The JPOIG inquired of the BC VFC to determine if it had any documentation of instances where disciplinary action was taken against an employee for not following the procedures correctly for buying fuel. The BC VFC stated that it did not have any disciplinary actions taken regarding fuel in 2021.

For the fuel storage tanks, the JPOIG reviewed the BC VFC's 2021 storage tank logs. The log contained the date fuel was dispensed from the tank, the person taking the fuel out of the tank, the amount of fuel, the type of fuel used, and the truck or piece of equipment receiving fuel. The

<sup>30</sup> The fuel costs for the twelve, monthly invoices totaled \$6,067.

JPOIG noted that the logs did not contain entries showing purchases for fuel to put into the storage tank or each month's ending inventory of gas in the storage tank. The JPOIG inquired the BC VFC as to whether the BC VFC had a way of reconciling their storage tank fuel logs with the Wex fuel reports for keeping an accurate track of odometer readings, fuel usage, etc. The BC VFC responded that they did not have a way of reconciling the reports. The lack of accurate odometer readings put into the fuel pumps along with the lack of information needed in the storage tank fuel logs prevented complete accurate testing of fuel purchased.

**Criteria:**

The Louisiana Legislative Auditor recommends for gasoline and diesel credit cards that: (1) employees enter the correct odometer reading when fueling the vehicle; (2) employees use the card only for the assigned vehicle; (3) management to review the card statements promptly to ensure that the dates of use are reasonable, drivers are entering accurate odometer readings, and the number of gallons received, miles traveled, and miles per gallon are reasonable; and (4) management document the disposition of all missing and/or erroneous odometer readings on fuel statements.<sup>31</sup>

The Louisiana Legislative Auditor also recommends that management:

implement and monitor controls over fuel (gasoline and diesel) to ensure that purchases and usage is reasonable, authorized, and that only municipality-owned vehicles and equipment are receiving the fuel.... For each fuel tank, a *Fuel Tank Log* is to be completed and maintained that documents monthly activity. At a minimum, the log should contain:

- A. Beginning inventory (measured number of gallons in tank at beginning of period)
- B. Purchases (number of gallons received in the tank during the period)
- C. Usage (number of gallons dispensed during the period per meter readings)
- D. Calculated ending inventory (= A + B - C)
- E. Actual ending inventory (measured number of gallons in tank at end of period)
- F. Difference, if any.<sup>32</sup>

**Why This Finding Matters:**

Firefighters could dispense fuel for personal or unauthorized purposes.

**Cause:**

The BC VFC's employees did not accurately input odometer readings when using fuel pump cards. Neither the Fire Chief nor the Board looked at the odometer readings when they reviewed the monthly Wex fuel reports. They did not take any disciplinary action against firefighters because they did not notice the inaccurate odometer readings, and the instances continued to occur. Further, the BC VFC's storage tank fuel log lacks information needed to accurately track fuel purchases

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<sup>31</sup> Louisiana Legislative Auditor Best Practices. *Controls over Gasoline/Diesel*, Issued September 6, 2005.

<sup>32</sup> Louisiana Legislative Auditor Best Practices. *Fuel Policy and Procedures*, Issued October 10, 2014.

and usage in both tanks. This lack of information also results in preventing the BC VFC from being able to reconcile the Wex fuel reports with the storage tank logs.

**Recommendation:**

The BC VFC should establish a written policy consistent with the Louisiana Legislative Auditor Best Practices and communicate the policy to all employees who are authorized to purchase fuel. In addition, each storage fuel tank should have a Fuel Tank Log in accordance with the Louisiana Legislative Auditor’s recommendation. The BC VFC management should review all odometer entries in the Wex fuel reports for sequential inconsistencies. When management identifies inconsistencies, they should follow-up to ensure all “invalid odometer exceptions” are documented and resolved promptly.

## VI – CASH

The BC VFC maintained three bank accounts.<sup>33</sup> Two accounts were funded with fire millage (public) money, and one bank account was funded with private donations. The purpose and source of funds for each account is listed in Table 4 below.

The Fire Chief prepared monthly bank reconciliations and then sent the reconciliations to a board member for review and an approval signature. The Board also reviewed and approved the reconciliations at their board meetings.

Table 4: BC VFC Bank Accounts

Account	Funding Source	Purpose	Balance as of 12/31/2021
Operating	Millage	Operating Expenses	\$1,298,835
Payroll	Millage	Employee Pay	\$271
Private <sup>34</sup>	Donations		\$72,644
<b>Total</b>			<b>\$1,371,750</b>



**Positive Finding #3:** The BC VFC properly prepared bank reconciliations for all accounts containing public funds and those bank reconciliations were reviewed and approved by someone other than the preparer.

The JPOIG reviewed all bank reconciliations during the scope period and validated that all cash balances were properly reconciled and approved by a board member.

### Criteria:

The Louisiana Legislative Auditor recommends that a person should be appointed as a “preparer” to “consider whether: (1) all receipts and disbursements are recorded by the entity; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger balance.” The preparer and reviewer should also sign/initial and date the document.<sup>35</sup>

<sup>33</sup> The BC VFC also had a bank account with a negative balance of \$9.00 that was being closed.

<sup>34</sup> The bank account titled “Private” is presented only for informational purposes.

<sup>35</sup> Louisiana Legislative Auditor Best Practices, *Bank Reconciliations*. Issued October 2018.

## VII – FIRE PROTECTION AGREEMENT GENERAL COMPLIANCE

The JPOIG reviewed the BC VFC’s 2021 general ledger to determine if any equipment purchases were subject to the Fire Protection Agreement’s restrictions, required approval by the Director of Fire Services, or required to be procured in accordance with public bid law.<sup>36</sup> The JPOIG found no applicable purchases and offers no opinion on compliance.

The JPOIG inspected the BC VFC’s insurance policies to determine if the BC VFC maintained the required insurance coverage. The JPOIG noted no exceptions. The JPOIG also inquired of Parish officials as to whether the BC VFC submitted the required documentation during the audit scope period to the appropriate department directors. Parish officials confirmed that the BC VFC submitted the required reports.



**Positive Finding #4:** The BC VFC complied with the Fire Protection Agreement because it maintained required insurance coverage and submitted the required reports to the Parish.

### Criteria:

For insurance, the Fire Protection Agreement required the BC VFC to have:

1. Fire and contents insurance sufficient to cover the appraised value of all firefighting facilities and depreciable assets purchased with public funds of any kind;
2. Auto liability insurance on all vehicles with limits of \$1,000,000 for each occurrence, and physical damage coverage including collision coverage and comprehensive coverage with a maximum of \$5,000 deductible for each occurrence;
3. Worker's compensation insurance for employer’s liability, section B, shall be at least \$1,000,000 per occurrence;
4. Flood insurance for all properties located in a flood zone other than B, C, or X; or properties which have been previously flooded and have received FEMA funds;
5. Commercial general liability insurance covering the company’s operations and risks associated with such operations in the amount of \$2,000,000; and
6. Occurrence-based professional liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.<sup>37</sup>

For reports and records, the Fire Protection Agreement required the BC VFC to submit to the Parish the following:

1. On an annual basis, an audited financial statement showing the disbursement of all public funds received for the previous year to the Finance Director;

<sup>36</sup> The Fire Protection Agreement required BC VFC to: (1) Adhere to Public Bid Law for purchases of any materials or supplies in the amount of \$10,000 or greater utilizing the public funds; (2) Notify the Director of OFS prior to purchasing any vehicles, equipment or apparatus valued at \$100,000 or greater; and (3) Obtain approval prior by the Parish prior to purchasing a fire apparatus utilizing the proceeds of a Parish’s bond issue or the funds held by the Parish for capital improvement purposes.

<sup>37</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article I, Obligations of the Company, Section 4, Paragraphs a-f, dated 11/15/2017.

2. An itemized annual budget for operations and capital expenditures to the Director of OFS. Any and all amendments made to the budget by the company during the budget year shall be submitted to the Director of OFS no later than ten (10) days from the date that the amendment was approved by [the fire] company. Additionally, a budget-to-actual report for prior calendar year expenditures shall be submitted to the Director of OFS no later than June 30th of each year;
3. Quarterly financial reports concerning the expenditures of funds received pursuant to Article IV of the Fire Protection Agreement. Each report shall be furnished to the Director of OFS no later than thirty (30) days following the end of the reporting period; and
4. Certificates of completion issued by the Louisiana Board of Ethics concerning completion of the one (1) hour ethics training program mandated by La. RS. 42:1170. On or before January 1st of each year, the company shall furnish to the Director of OFS certificates of completion for each employee legally required to undergo ethics training during the preceding year. Additionally, the company shall submit a roster of all members that are legally required to undergo the ethics training program.<sup>38</sup>

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<sup>38</sup> Fire Protection Agreement between District No. 7 of the Parish of Jefferson, State of Louisiana and Bridge City Volunteer Fire Company No. 1. Article III, Reports and Records, Paragraphs A/B/D/E, dated 11/15/2017.

## OBJECTIVES, SCOPE, & METHODOLOGY

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### Objectives, Scope & Methodology

The JPOIG conducted an audit of BC VFC. The audit objectives were: (1) to determine the adequacy of internal controls to ensure that BC VFC spent the funds in accordance with governing laws and the fire district millage restrictions, and (2) to assess BC VFC's compliance with the Fire Protection Agreement.

The scope period of the audit was 01/01/2021 through 12/31/2021 and included all public fund expenditures during that period. The JPOIG performed testing in: (1) cash; (2) operating expenditures; (3) payroll; (4) fuel expenditures; and (5) vehicles. To accomplish the audit objectives, the JPOIG:

1. Reviewed policies, procedures, and other documents.
2. Developed a non-statistical sample of expenditures and payroll transactions and performed analysis.
3. Reviewed financial records, including but not limited to financial statements, bank statements, invoices, receipts, vehicle inventory listings, titles and registration certificates.
4. Performed detailed analysis to assess for compliance with contracts, laws, and regulations.
5. Performed a physical inventory of BC VFC's vehicles.
6. Conducted interviews with employees.

### Data Reliability

The JPOIG assessed the reliability of the financial data by: (1) interviewing officials knowledgeable about the data; (2) comparing data to source documents for reliability; and (3) reviewing selected system controls. Auditors determined that the data were sufficiently reliable for the purposes of this report.<sup>39</sup>

### Auditing Standards

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, promulgated by the Institute of Internal Auditors.

### Audit Criteria

Auditors used the following criteria for this performance audit:

- Louisiana Legislative Auditor Best Practices;
- Louisiana Constitution;
- Louisiana Revised Statutes;
- Louisiana Attorney General Opinions;
- Code of Federal Regulations; and
- Fire Protection Agreement, dated November 15, 2017.

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<sup>39</sup> GAO-20-283G Assessing Data Reliability. December 2019.



## **Legal Authority**

The authority to perform this audit is established in Jefferson Parish Code §2-155.10 and La. R.S. 33:9613. This audit was an emergent audit.

## **ATTACHMENT I: PARISH & NON-PARISH ENTITY COMMENTS**

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Pursuant to the Jefferson Parish Code of Ordinances, the JPOIG must provide a copy of the report or recommendations to:

[a] person in charge of any parish department, agency, board, commission, the parish president, the parish council, or any member of the parish council or person in charge of any parish department [and these persons] shall have thirty (30) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>40</sup>

On May 31, 2023, the JPOIG distributed a Draft Report to the Parish entities who were the subject of the audit so they would have an opportunity to comment on the report prior to the public release of this Final Report. The JPOIG received those comments on July 13, 2023.

The JPOIG must also provide non-Parish individuals or entities with:

a copy of the report after thirty (30) working days and [those individuals or entities] shall have twenty (20) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>41</sup>

On June 1, 2023, the JPOIG distributed a Draft Report to the non-Parish entities who were the subject of the audit so they would have an opportunity to comment on the report prior to the public release of this Final Report. The JPOIG received those comments on June 13, 2023.

The JPOIG attached the Parish and Non-Parish entity comments to the report.

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<sup>40</sup> JPCO §2-155.10 (9)(b).

<sup>41</sup> JPCO §2-155.10 (9)(c).



# JEFFERSON PARISH

## OFFICE OF THE PARISH PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

July 13, 2023

**Via Electronic Mail**

Kim Raines Chatelain  
Jefferson Parish Inspector General  
990 N. Corporate Drive, Suite 300  
Jefferson, LA 70123

Re: Administration Response to Office of Inspector General-Jefferson Parish-  
Confidential Draft Audit Bridge City Volunteer Fire Company

Ms. Chatelain:

In accordance with Jefferson Parish Code Section 2-155.10(9), the Administration respectfully submits this response to the above-referenced JPOIG Confidential Draft Audit. In connection with the above-referenced matter, my staff met with the various Departments responsible for oversight of the Bridge City Volunteer Fire Company (“Bridge City”), including the Office of Fire Services (“OFS”), and your Office to discuss your draft audit. Your draft audit and those meetings produced many relevant suggestions that I believe warrant further action and corrective measures to ensure that policies are further developed and adhered to by Bridge City.

The findings identified in the draft audit are addressed in detail below.

**Finding No. 1: The BC VFC may have violated the Louisiana Constitution and the Fire Protection Agreement because it spent \$4,120 in public funds on a length of service award program for full-time employees.**

The Bridge City length of service award is similar to the Jefferson Parish Tenure Award Program provided to all Classified Pay Plan and Executive Pay Plan employees – including the Office of Inspector General – and other longevity/tenure incentive programs in the region that are a vital tool for recruitment and retention of public employees and first responders. As contract consideration paid to a *quasi-public* entity and used for employee compensation, the millage funds do not retain the character of funds of a political subdivision, and their use for a length of service award cannot violate Article VII, Section 14 of the Louisiana Constitution. Even if the contract consideration retains the character of “public funds” and the above-referenced Constitutional restrictions apply, the length of service award is allowed because payment of such as a part of the employee’s total compensation is not gratuitous in nature.

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GENERAL GOVERNMENT BUILDING-200 DERBIGNY ST – SUITE 6100 – GRETNA, LA 70053 - PO BOX 9 – GRETNA – LA 70054  
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**Finding No. 2: The BC VFC neither designed nor implemented proper internal controls for the Fire Chief's timecards because they were not reviewed and approved by a board member.**

In accordance with Code of Ordinances Sections 2-211 *et seq.* – and within the constraints set forth in the CEA – OFS oversees and provides guidance to Bridge City, however, ultimately the officers and management are responsible for the day-to-day operations of Bridge City who are in turn accountable to its Board of Directors. (OFS will review Bridge City's response to this audit, if any, and provide guidance with respect to this finding and recommendation to revise the existing policy to include Board approval where appropriate.)

**Finding No. 3: The BC VFC did not design proper approval internal controls because not all expenditures contained evidence of written approval by a board member prior to purchase and after purchase.**

In accordance with Code of Ordinances Sections 2-211 *et seq.* – and within the constraints set forth in the CEA – OFS oversees and provides guidance to Bridge City, however, ultimately the officers and management are responsible for the day-to-day operations of Bridge City who are in turn accountable to its Board of Directors. (OFS will review Bridge City's response to this audit, if any, and provide guidance with respect to this finding and recommendation including policy revisions permitting prior approval by the Chief to supplement the Board approval after purchase already in place.)

**Finding No. 4: The BC VFC paid eight off-duty firefighters a total of \$1,693 in public funds to work private fish fry fundraising events which may have violated the Fire Protection Agreement.**

In accordance with Code of Ordinances Sections 2-211 *et seq.* – and within the constraints set forth in the CEA – OFS oversees and provides guidance to Bridge City, however, ultimately the officers and management are responsible for the day-to-day operations of Bridge City who are in turn accountable to its Board of Directors. (OFS will review Bridge City's response to this audit, if any, and provide guidance with respect to this finding and recommendation, if warranted.)

**Finding No. 5: The BC VFC did not comply with the Fire Protection Agreement because it did not submit a current vehicle inventory report to the OFS, nor did it title all vehicles in District 7's name.**

In 2020, OFS developed and implemented Standard Operating Procedures to ensure that all contractual obligations are met as outlined in the CEA and regularly monitors each volunteer fire company for compliance. The Administration and OFS is committed to coordinating with Bridge City to regularly review all contractually required reports to ensure compliance with the CEA including proper titling of all vehicles.

**Finding No. 6: The BC VFC did not design nor implement proper internal controls over fuel transactions because employees did not put accurate odometer readings in the fuel pump systems and did not reconcile fuel usage from the storage tanks.**



# JEFFERSON PARISH

## OFFICE OF THE PARISH PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

In accordance with Code of Ordinances Sections 2-211 *et seq.* – and within the constraints set forth in the CEA – OFS oversees and provides guidance to Bridge City, however, ultimately the officers and management are responsible for the day-to-day operations of Bridge City who are in turn accountable to its Board of Directors. (OFS will review Bridge City’s response to this audit, if any, and provide guidance with respect to this finding and recommendation including revision of its’ existing policy to include storage tanks and revise all policies in accordance with the recommendations from the Louisiana Legislative Auditor.)

In conclusion, the Administration and OFS is committed to continued discussion with and input from your Office so that prospective and existing policies and procedures are followed.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,

Cynthia Lee Sheng  
Parish President

cc: Mr. Steve LaChute, Chief Operating Officer  
Ms. Cherreen Gegenheimer, Interim Deputy Chief Operating Officer  
Honorable Ricky Templet, Councilman at Large, Div. A  
Honorable Scott Walker, Councilman at Large, Div. B  
Honorable Marion Edwards, Councilman, Dist. 1  
Honorable Deano Bonano, Councilman, Dist. 2  
Honorable Byron Lee, Councilman, Dist. 3  
Honorable Dominick Impastato, Councilman, Dist. 4  
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5  
Ms. Peggy Barton, Parish Attorney  
Mr. David Courcelle, Deputy Parish Attorney  
Chief Don Robertson, Fire Services



# Bridge City Volunteer Fire Co. No. 1

FIRE PROTECTION DISTRICT #7

(504) 349-5570

Post Office Box 9056

BRIDGE CITY, LOUISIANA 70094-1156

Kim Raines Chatelain, Inspector General  
Jefferson Parish Office of Inspector General  
990 N. Corporate Drive  
Suite 300  
Jefferson, LA. 70123

Madame,

I am writing concerning the "Report of results of Inspector General findings" in the JPOIG Audit of Bridge City Volunteer Fire Co. #1.

#### Finding #1: Tenure Awards

Our tenure awards program is based off of the City of Westwego's Policy, which is a public entity. The parish of Jefferson also has a tenure award program. Our employees are the back bone to this department. As throughout the U.S., volunteer members have fallen off and is a dying breed. Our employees go above and beyond for this department, community and the parish and deserve this benefit. In 2013, 24<sup>th</sup> judicial Court and the 5<sup>th</sup> Circuit court of appeals upheld the ruling that this was legal, in the case of several parish employees versus the Parish of Jefferson. Our audit firm, Uzee, Butler, Arceneaux and Bowes, also feel this award is legal.

#### Finding #2: Fire Chiefs time sheet:

In our meeting in February of 2023, with members of your staff, I stated that my time sheets are now signed by President of the Fire Department. With the new RMS system, the time sheets are sent to him for approval. To explain our policy for time sheet, this is how they are done. Firefighters: time sheets are signed by them and approved by the shift captain. Captains: The captains sign their time sheets and is approved by the Fire Chief. Fire Chief: The Fire Chief time sheet is signed by him and approved by the president. This issue was corrected before your office report was completed.

#### Finding#3. Expenditures

All expenditure is gone over at the Board meeting for each month. A copy of the expenditures for the month is attached to the minute of the board meeting. A Board member initials all invoices that are paid. Major purchases are reported and approved by the board, be for purchase. To solve this issue, all purchases over \$1000.00, will have a requisition form filled out and approved by a board member. Any emergency purchase (example: equipment repair, station repair needed to stay in operation for the community safety) over \$5000.00 will have a requisition form and approved by a Board member.

Any purchase in a state of emergency situation over \$10000.00, will have a requisition form and approved by a Board Member. That form will be attached to the invoice. This should solve this issue.

Finding #4: Pay for Employees working fish fry.

The money raise from the fish fry, goes into our Private Account. This account is used for recruitment and retention. Things like Crawfish boils, Christmas Party and Cooking events, Etc. The account is a Fire Department Account and used for Fire Department activities. The employees that are here working the fish fry can and do respond to calls for service if needed. After our meeting in February 2023, this was stopped. This issue is resolved.

Finding#5: Title of Vehicles and Inventory not Turned into OFS.

We disagree with this finding for inventory not being turned into the OFS. Our inventory has been turned into OFS on several occasions.

Title of Vehicles: Our 2014 Ford Expedition was purchase in 2014. The contract, requiring this, was not signed until October 16, 2018. The title is in the process of being transferred to the parish at this time.

The Rescue Truck was purchased in 2002. Again, the Contract was signed on October 16,2018, that required the title be in the Parish name. The titles have now been put in the parish name and the issue is solved.

Finding#6: Fuel Purchase.

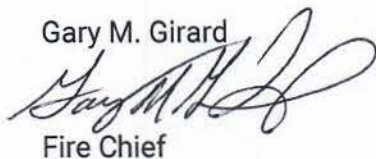
The only time a millage is not put on a fuel purchase is if the unit being fueled does not have an odometer reading (example: Station Generator, fuel cans for mixed gas and regular gas for portable equipment).

Fuel Storage Tanks: In 2021 the fuel cell on the pickup truck was taking off, due to the truck going out of service. When then new pick up came in and put into service, the fuel cell was placed on it. A log is kept in the truck for all fuel put into the fuel cell and removed from the fuel cell.

The large fuel storage tank: This tank was only used once. It was used for IDA, an emergency situation. A log was kept. That large tank is only used for Major incidents. Millage for vehicles that have an odometer will be logged for now on. In May, 2023 a memo was sent out to all personnel reinforcing the need to make sure the odometer reading was put in on all fuel purchases. We feel this issue is resolved.

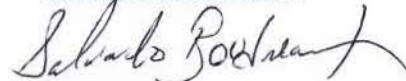
We believe these concerns reflect the Department's response and actions to those items listed in the report.

Gary M. Girard



Fire Chief

Salvador Boudreaux



President





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