



JPOIG Overview

What We Found

July 14, 2023

Why We Did This Audit

The purpose of the audit was to determine if the Bridge City Volunteer Fire Company's (BC 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 BC 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

BC 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.

The BC VFC should also (1) develop a policy that requires the Fire Chief to submit vehicle listing reports to the OFS; (2) establish a policy over fuel purchases and fuel storage tanks; (3) transfer title of the vehicles worth \$234,935 to District 7; and (4) discontinue paying employees with public funds for private fundraisers.

The audit identified payments that may violate the Louisiana Constitution and/or the Fire Protection Agreement. The BC VFC paid \$4,120 in bonuses to full-time employees. The BC VFC also paid eight off-duty firefighters a total of \$1,693 in *public* funds to work fish fry fundraising events for the BC VFC's *private* account.

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

- ❖ The BC VFC lacked internal controls over payroll that could result in employees being paid for hours they did not work. Of the 24 bi-weekly timecards tested:
 - none of the Fire Chief's timecards were reviewed and approved by a Board member.
 - one timecard did not contain the employee's signature attesting to the hours worked.
- ❖ The BC VFC lacked basic expenditure controls which could result in unauthorized or unlawful expenditures. The JPOIG noted that of the 24 expenditures tested:
 - None of the expenditures (totaling \$97,183) contained evidence of the required written approval by a board member prior to purchase.
 - Two expenditures (totaling \$1,821) did not contain a documented signature on the invoice indicating board approval after the 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.

The audit also revealed the BC VFC was not complying with the Parish Fire Protection Agreement:

- ❖ The BC VFC did not submit a current vehicle inventory report to the Office of Fire Services (OFS).
- ❖ The BC VFC did not title vehicles worth \$234,935 to District 7.

Vehicles purchased with District 7 funds could be sold, donated or disposed without knowledge or notice to the Parish.

On a positive note, the BC VFC maintained an accurate inventory of vehicles and prepared/reviewed their bank reconciliations properly.

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