



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

GABRIEL F. DEYO
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

March 21, 2014

Suzanne Bell, Chairwoman
Members of the Board of Fire Commissioners
West Sand Lake Fire District #1
3697 NY Route 43
West Sand Lake, NY 12196

Report Number: 2013M-398

Dear Chairwoman Bell and Members of the Board of Fire Commissioners:

The Office of the State Comptroller works to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. Our goals are to develop and promote short-term and long-term strategies to enable and encourage local government officials to reduce costs, improve service delivery and account for and protect their entity's assets.

In accordance with these goals, we conducted an audit of the West Sand Lake Fire District #1 (District) which addressed the following question:

- Are District controls adequate to ensure that financial activity is properly recorded and reported and that District moneys are safeguarded?

The results of our audit have been discussed with District officials and their comments were considered in preparing this report. The District's response is attached to this report in Appendix A.

Background and Methodology

The District is a district corporation of the State, distinct and separate from the Town of Sand Lake, and is located in Rensselaer County. The District's general fund budget totaled \$678,270 for the 2013 fiscal year.

The Board of Fire Commissioners (Board) consists of five elected members and is responsible for the District's overall financial management. The Board appoints a Treasurer who acts as the District's chief fiscal officer. The Treasurer is responsible for the receipt and custody of District funds, for disbursing and accounting for those funds, for preparing monthly and annual financial reports and for meeting any other reporting requirements.

We examined the internal controls over the District's financial operations for the period of January 1, 2012 through October 31, 2013. We interviewed appropriate District officials and reviewed financial records and Board minutes. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Results

The Board is responsible for overseeing the District's fiscal activities and safeguarding its resources. To fulfill this duty, it is essential that the Board establish a system of internal controls which consists of policies and procedures to ensure transactions are authorized and properly recorded; financial reports are accurate, reliable and filed in a timely manner; and the District complies with applicable laws, rules and regulations.

The Treasurer must maintain complete, accurate and timely records to account for all of the District's financial activities properly. The Treasurer should prepare and submit monthly reports to the Board and is required to prepare and submit an annual financial report of the District's financial condition to the Office of the State Comptroller within 60 days after the close of the fiscal year. This report is an important fiscal tool which provides the Board with necessary information to monitor District operations and provides other interested parties with a summary of the District's financial activities. Town Law requires the Board to obtain an audit of the District's records by an independent public accountant. Town Law and a good system of internal controls over claims processing require each member of the Board to audit claims thoroughly before authorizing payment. The Board is also responsible for ensuring that District funds are used only for legitimate District expenditures.

We found that the Board provides adequate oversight of District financial activities. The Board has adopted policies addressing ethics, procurement, travel and credit card use. The Treasurer provides the Board with monthly financial reports including cash balance and budget status reports. The Treasurer submitted the 2012 required annual financial report of the District's financial condition to the Office of the State Comptroller in a timely manner. The Board has contracted for an annual independent audit of District financial operations each year, as required.

The Secretary completes claim forms and prepares voucher packages and submits them to the Board for audit and approval. The Board's process for auditing claims prior to payment includes reviewing all supporting documentation, including quotes obtained in accordance with the District's purchasing policy.¹ Once audited and approved for payment by the Board, the claim packages are submitted to the Treasurer for payment. During our audit period, the District processed 678 disbursements² totaling \$829,394. We randomly selected and reviewed 50 disbursements³ totaling \$97,015 to determine if they were properly authorized, adequately

¹ The Board's procurement policy requires District officials to obtain written or verbal quotes for services and purchases, depending on the total dollar amount.

² These disbursements exclude payroll transactions.

³ We used a random sample generator to select the 50 disbursements.

supported and for appropriate District purposes. Except for minor issues that were discussed with District officials, the transactions were properly authorized and recorded in the accounting records and appeared to be for District purposes.

We thank the officials of the District for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following page.



West Sand Lake Fire District No. 1



P. O. Box 386
West Sand Lake, NY 12196
(518) 674-5757 ✱ (518) 674-0449 (fax)

March 11, 2014



NYS Office of the State Comptroller
Division of Local Government and School Accountability
One Broad Street Plaza
Glens Falls, NY 12801



The West Sand Lake Fire District #1 is in receipt of your audit findings dated February 27, 2014.

The Board of Fire Commissioners, its officers and employees take pride in their adherence to federal, state and local finance laws. Our fiscal responsibility to the taxpayers of the West Sand Lake Fire District #1 is paramount. Your audit findings prove the effectiveness of our controls and attention to detail.

The Board of Fire Commissioners will continue to follow best practices and diligently oversee the District's fiscal activities while safeguarding its resources.

Thank you for your time. The Board appreciates the Comptroller's efforts in reviewing the Fire District's practices.

Sincerely,

Suzanne Bell
Chairwoman
Board of Fire Commissioners
West Sand Lake Fire District #1