



**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

July 2015

Gary Male, Chairman  
Members of the Board of Fire Commissioners  
Niskayuna No. 2 Fire District  
2272 Troy Schenectady Rd  
Niskayuna, NY 12309

Report Number: 2015M-73

Dear Chairman Male and Members of the Board of Fire Commissioners:

The Office of the State Comptroller works to identify areas where fire district 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 fire district 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 Niskayuna No. 2 Fire District (District) which addressed the following question:

- Did the District award Length of Service Award Program (LOSAP) credits accurately?

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix B, have been considered in preparing this report. District officials generally agreed with the recommendations and indicated they have initiated corrective action. Appendix C includes our comment on an issue raised in the District's response.

### **Background and Methodology**

The District is a district corporation of the State, distinct and separate from the Town of Niskayuna and Schenectady County in which it is located. An elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for the District's overall financial management and for overseeing its LOSAP. The District's 2015 operating budget is \$743,038, funded primarily with real property taxes. As of December 31, 2014, District LOSAP assets totaled \$494,149, the contribution for the 2014 service award program year was approximately \$23,100 and there were 48 active volunteer firefighters (volunteers).

The District sponsors and funds a defined contribution LOSAP, which is intended to facilitate the recruitment and retention of active volunteers by providing them with a pension-like benefit based upon their years of firefighting service to the District. When a fire district sponsors a LOSAP,

district officials are required to establish a point system that complies with New York State General Municipal Law (GML). Points must be granted in accordance with the point system established by the LOSAP sponsor that must also comply with GML.

Active volunteers earning 50 service award points annually must be credited with one “year of firefighting service” (LOSAP service credit). Annually, fire company officials are required to submit a list (certified under oath) to the fire district’s governing board identifying all volunteers who earned at least 50 points during the preceding year. The governing board is required to review the list and approve the final annual certification, at which time each volunteer on the list must be awarded one year of LOSAP service credit and becomes entitled to a defined contribution made on the volunteer’s behalf.

We examined relevant documentation regarding the District’s LOSAP, including policies and procedures, bylaws, Board minutes and other documentation applicable to our audit objective for the period January 1, 2014 through January 31, 2015. We reviewed the District’s LOSAP point system to identify the activities for which volunteer firefighters could earn service award points. We interviewed District officials and staff to determine the process used to track and record activity points and award annual service credits and whether the Board approved a list of members who earned annual service credits.

We also compared the District’s point system with GML requirements to determine whether they were consistent. 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**

GML sets forth the activities that can be included in the point system. One such activity is participation in department responses. The District may grant 25 points to volunteers for responding to a minimum number of fire calls (i.e., all calls “other than emergency rescue and first aid squad calls [ambulance calls]”) and an additional 25 points for responding to the minimum number of EMS calls (i.e., “emergency rescue and first aid squad [ambulance]” calls). For example, under GML, if the fire department responds annually to 500 or fewer fire calls, then a volunteer must respond to at least 10 percent of the fire calls to receive points. If the fire department responds annually to more than 500 fire calls and less than 1,000 fire calls, then a volunteer must respond to at least 7.5 percent of the fire calls to receive points. The same percentages apply to EMS calls.

Other activities for which points can be awarded include training courses, stand-bys and sleep-ins, serving in an elected or appointed position, teaching fire prevention classes, attending department meetings and drills and certain miscellaneous activities. In most cases, GML specifies the number of points that can be granted each time an activity is performed and the maximum number of points that can be earned for performing a given activity over the course of a year. Each fire company is required to maintain records of LOSAP activities for program participants on forms prescribed by the Board. Because volunteers are granted service award points for participating in LOSAP activities, it is essential that the information contained on these forms is accurately compiled to ensure volunteers earn service award credit to which they are entitled.

The District did not award accurate LOSAP credits because District officials did not award the appropriate number of points to volunteers for participation in department responses and accurately record volunteer activities. We identified discrepancies in the activities recorded and points awarded by the District for nine of 10 volunteers reviewed.<sup>1</sup> As a result, two volunteers received one year of service credit and earned a defined contribution of \$700 in 2014 to which they were not entitled. For the remaining seven volunteers, who were awarded points incorrectly, the inaccuracies did not affect the service credit awarded to those participants.<sup>2</sup>

District officials granted 30 service award points to volunteers who participated in a minimum of 7.5 percent of total annual responses, which exceeded the 25 service award points prescribed by GML. The District's point system, last updated in 2005, provides for participants to earn 15 points for responding to a minimum of 7.5 percent of total fire calls and an additional 15 points for responding to a minimum of 7.5 percent of EMS calls. However, District officials implemented a practice of awarding a total of 30 service award points for attending a percentage of the combined total fire and EMS annual responses.<sup>3</sup> As a result, in 2014, District officials awarded 30 points to 32 program participants who, according to District records, responded to more than the minimum number of required calls. District officials were unaware that their policy and their practice of awarding points for attending department responses were not consistent with GML.<sup>4</sup>

The District uses several types of attendance forms to track participation in LOSAP activities. Information from these forms is entered into a computer program, which is used to calculate LOSAP points and prepare participant activity reports of points earned. However, District officials did not review the entries in the computer program unless the points earned as indicated on the reports were disputed by the volunteers.

We compared LOSAP attendance records<sup>5</sup> with the participant activity reports for 10 District volunteers<sup>6</sup> and found activities used to award points for nine volunteers were inaccurately recorded. Additionally, six of these volunteers responded to the minimum number of calls and were awarded 30 points, or five more points than permitted by GML. As a result, nine volunteers were inaccurately awarded points based on the attendance records as follows:

- Six volunteers were awarded a total of 66 more points and 11 fewer points than they were entitled to. As a result these volunteers received a combined total of 55 more points than they were entitled to. For example, one LOSAP volunteer was awarded five more points than allowed for participating in department responses and one point less than should have been awarded for attending a training.

---

<sup>1</sup> Our sample was comprised of four judgmentally selected volunteer participants and six randomly selected participants.

<sup>2</sup> Because the number of points inaccurately awarded did not result in these participants receiving more or less than 50 points (as applicable).

<sup>3</sup> The District responded to 874 calls in 2014.

<sup>4</sup> While the District's practice was inconsistent with GML, the District also lacks authority to provide service award points based on a practice that is inconsistent with its point system. The District's point system, however, is also inconsistent with GML because it provides separate points for both fire and EMS calls but does not provide 25 points for participating in the minimum number of calls in each category and it freezes the minimum number of calls at 7.5 percent when GML requires a sliding scale based on total call volumes.

<sup>5</sup> LOSAP attendance records include incident reports, meeting attendance lists, training and drill forms, miscellaneous forms and a list of officers.

<sup>6</sup> See footnote 1.

- Three volunteers were awarded a total of six points more and 14 fewer points than they were entitled to. As a result these volunteers received a combined total of eight fewer points than they were entitled to. For example, one LOSAP volunteer was awarded five more points than allowed for participating in department responses, but did not receive one point for attending a company meeting, eight points for attending trainings and two points for attending miscellaneous events.

These inaccuracies occurred and were not detected by District officials because the Board did not institute a review process. By not ensuring that activities are accurately recorded and inappropriately awarding points for participation in department responses, District officials lack assurance that volunteers were awarded the appropriate number of points and accurately awarded one year of service award credit.

### **Recommendations**

District officials should:

1. Review and amend the District's point system as necessary to ensure conformity with GML and then award points in accordance with the revised point system.
2. Ensure activities for which volunteers may earn LOSAP points are accurately recorded to ensure participants receive appropriate service credit.
3. Establish a process to review LOSAP activities and records to ensure activities are recorded accurately.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendation in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Clerk's office.

We thank the officials and staff of the Niskayuna No. 2 Fire District for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo  
Deputy Comptroller

## APPENDIX A

### ADDITIONAL LOSAP INFORMATION

GML provisions for awarding LOSAP points are summarized as follows:

- Training Courses: 25 points maximum.
  - Courses under 20 hours duration – one point per hour, with a maximum of five points.
  - Courses 20 to 45 hours duration – one point per hour for each hour over the initial 20 hours, with a maximum of 10 points.
  - Courses over 45 hours to 100 hours duration – 15 points per course.
  - Courses over 100 hours duration – 25 points per course.
- Drills: One point per drill (minimum two-hour drill), with 20 points maximum.
- Sleep-ins and stand-bys: One point per each qualifying event, with 20 points maximum.
- Elected or appointed position: 25 points maximum for a year in the position.
- Meetings: One point per meeting for attending official fire company meetings, with 20 points maximum.
- Participation in Department responses: 25 points for responding to the minimum number of calls based on a percentage of the total number of calls the fire company responds to annually.
  - 25 points for fire calls (i.e., all calls “other than emergency rescue and first aid squad calls [ambulance calls]”).
  - 25 points for EMS calls (i.e., “emergency first aid and rescue squad [ambulance]” calls).
- Miscellaneous activities: One point per activity for inspections and other activities covered by New York State Volunteer Firefighters’ Benefit Law and not otherwise listed, with 15 points maximum.
- Disability: Five points per month for certain line-of-duty disabilities.
- Teaching fire prevention courses under certain circumstances: One point per class, maximum of five points.
- Military leave: 50 points for each full year of qualified military service, prorated for service of less than a year.

## **APPENDIX B**

### **RESPONSE FROM DISTRICT OFFICIALS**

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

# NISKAYUNA FIRE DISTRICT NO. 2

2772 Troy Road  
Niskayuna, New York 12309  
Telephone: (518) 785-6033  
Fax: (518) 785-6528

Gary R. Male, Chairman  
Board of Fire Commissioners

Tammy Insogna  
Secretary-Treasurer

John W. Clark  
Legal Counsel

Charlie Friderici  
Chief Officer

July 15, 2015

[REDACTED]

We note that we participated in an exit conference with the auditors prior to writing this response. It was interesting to our board that this audit was not initially planned as an audit of our LOSAP program; it was planned as a regular audit of our finances and controls. We have worked hard at those controls over the years in light of the many audits which have been released that were instructive on how to do it right. A review by the auditors of those controls appeared to raise only minor problems or issues. The auditors also reviewed our LOSAP program. There were issues discovered in our administration of the LOSAP program. The district has corrected the problems in the LOSAP program identified by the comptrollers' audit.

See  
Note 1  
Page 8

## Corrective Action Plan

The following information is provided as called for in your Corrective Action Plan template:

Unit Name: Niskayuna Fire District No. 2  
Audit Report Title: None Provided  
Audit Report Number: 2015M-73

The Niskayuna Fire District No. 2 agrees with the findings as reported and concurs in the recommendations. The point system has already been modified and corrected to properly reflect the permitted and required point allocations set forth in the law. The review process set forth in the law is confirmed for the Board to check on the allocation of points and proper recording of point services. The corrective action was effective for the start of calendar year 2015.

We sincerely appreciate the efforts of the audit team from the Comptroller's office.

Gary Male, Chairman of the Board  
Of Fire Commissioners, NFD2

## **APPENDIX C**

### **OSC COMMENT ON THE DISTRICT'S RESPONSE**

#### Note 1

We informed District officials during our audit and at the exit discussion that our audit included an initial assessment of the District's internal controls over its financial operations, including the LOSAP. After reviewing the information gathered during our initial assessment, we determined where weaknesses existed and evaluated those weaknesses for the risk of errors, potential fraud, theft and professional misconduct. We then decided on the reported objective and scope by selecting for audit those areas most at risk. We selected the District's LOSAP for further audit testing.