

Richburg-Wirt Fire District

Board Oversight

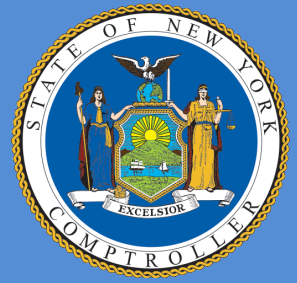
2025M-73 | November 2025

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Audit Results

Richburg-Wirt Fire District



Audit Objective	Audit Period
Did the Richburg-Wirt Fire District (District) Board of Fire Commissioners (Board) provide adequate oversight of financial operations?	January 1, 2023 – April 29, 2025 We extended the audit period through October 6, 2025 to review fiscal training records.
Understanding the Audit Area	
Fire districts are district corporations and political subdivisions of the State of New York (State), distinct from the municipalities in which they are located. Fire districts are generally governed by an elected board of fire commissioners (board) that is responsible for providing adequate oversight to ensure proper financial management. This includes developing and adopting required policies, conducting financial activity in a transparent manner, reviewing financial records, completing training in a timely manner and complying with purchasing requirements. The District's average annual budgeted appropriations for the 2023, 2024 and 2025 fiscal years was \$102,007.	

Audit Summary

The Board did not provide adequate oversight of financial operations. Specifically, the Board did not:

- Develop and adopt required policies, including an investment policy, a procurement policy and a code of ethics.
- Use reserve funds in a transparent manner and could not support that transfers totaling \$36,611 were adopted through Board resolutions and that public hearings were held, when required.
- Audit the Treasurer's records in accordance with New York State Town Law (Town Law) Section 177.
- Ensure all of its members completed mandatory oversight training within the required time period. For example, one Board member, the Chairman, completed the training more than 900 days late.
- Use competitive bidding for the purchase of an off-road utility vehicle (UTV) for approximately \$28,000 as required, and as a result, may have paid more for the UTV than necessary. For

example, we found a local vendor who offered a similar UTV for approximately \$8,000 (40 percent) less than what the Board paid.

Because the Board did not provide adequate oversight of financial operations, it cannot ensure that District activities remained free from favoritism and the appearance of impropriety and cannot ensure District assets were adequately safeguarded from potential misuse, loss or theft. In addition, three of the five Board members did not respond to our requests to discuss the audit.

The report includes nine recommendations that, if implemented, will improve the Board's oversight of financial operations.

District officials generally agreed with our recommendations and their response is included in Appendix B.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law (GML). Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations 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. We encourage the Board to make the CAP available for public review.

Board Oversight: Findings and Recommendations

Fire district boards must adopt and follow policies on investments, procurement and ethics. A board may establish reserve funds to set aside and restrict funds for capital and repair needs, subject to specific authorization and, in some cases, public hearings. Treasurers maintain financial records and submit them for annual board audits. Commissioners must complete mandatory fiscal oversight training upon taking office to understand their legal and financial responsibilities. Competitive bidding requirements apply to certain purchases to ensure accountability and cost-effectiveness in fire district spending.

More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 2), are included in Appendix A.

Finding 1 – The Board did not adopt required policies.

The Board did not develop and adopt the required investment, procurement and code of ethics policies. The Board Chairman (Chairman) and one Board member told us they were unaware that these policies were required. We questioned this explanation, given that both individuals had completed the mandatory board oversight training (see Finding 4), which included guidance on required policy adoption. The remaining three Board members did not respond to our requests to discuss the audit.

Because the Board did not adopt an investment policy that clearly outlined expectations for investing District funds, the Treasurer did not invest those funds, missing opportunities to enhance the District's revenues and safeguard District funds. Additionally, had the Board adopted the required procurement policy, reviewing it may have alerted the Board to follow the mandatory bidding process for a major equipment purchase, potentially saving District funds (see Finding 5). Finally, by not adopting a code of ethics policy to establish standards of conduct, the Board missed the opportunity to communicate expected behaviors to officers and volunteers.

Recommendations

Board members should:

1. Adopt required investment, procurement and code of ethics policies.
2. Attend training that addresses their required oversight responsibilities, including what policies should be developed and adopted.

Finding 2 – The Board did not use reserve funds in a transparent manner.

During our audit period, the District reported three reserve funds on its annual financial reports to the Office of the New York State Comptroller (OSC):

- Firetruck replacement reserve,
- Ambulance replacement reserve, and
- Building repair reserve.

As of March 31, 2025, these reserves had a combined balance of approximately \$300,000. During our audit period, the Treasurer transferred \$23,567 from the firetruck replacement reserve and \$13,044 from the building repair reserve into the general fund to pay for claims.

Although we determined these transfers were for legitimate District purposes and used for expenditures in accordance with the applicable reserve, they lacked transparency. For example, the firetruck replacement reserve is a “specific” reserve that required the Board to adopt a resolution prior to expending funds. District officials could not provide evidence that the required resolutions were adopted before the funds were used. Similarly, transfers from the building repair reserve also required a Board resolution subject to a public hearing. Again, District officials could not provide evidence that resolutions were completed, or that public hearings were held prior to using these funds.

The Chairman and one Board member told us they were unaware of the requirements for reserve fund resolutions and public hearings. They told us that they could not recall whether they learned about these requirements during the required commissioner training courses they attended, and were unfamiliar with our publication focused on reserve funds. The remaining three Board members did not respond to our requests to discuss the audit. During our audit, we assisted the Chairman with locating OSC publications, including our Local Government Management Guide: Reserve Funds. A link to this resource is included in Appendix A of this report.

Because the Board did not complete the required resolutions and hold public hearings before expending reserve funds, reserve fund activity lacked transparency and District residents and taxpayers were not properly informed and did not have the opportunity to voice their opinions on the District’s use of those funds.

Recommendations

Board members should:

3. Attend training that addresses their fiscal oversight responsibilities, including their requirements when using reserve funds.

-
4. Ensure reserve transactions are carried out in a transparent manner by adopting resolutions prior to spending or funding reserve funds and holding public hearings when required by applicable reserve statutes.

Finding 3 – The Board did not audit the Treasurer’s records.

The Treasurer did not submit her 2023 or 2024 books, records, receipts, claims or canceled check images to the Board as required by Town Law Section 177. Additionally, the Board did not request the records when they were not submitted as required. As a result, the Treasurer’s 2023 and 2024 records were not audited as of April 29, 2025.

The Treasurer told us she was unaware of the requirement to submit all records to the Board for an annual audit because she did not take any training specific to her Treasurer responsibilities and did not know about or review OSC publications specific to fire districts. The Chairman and one Board member told us they did not request the Treasurer’s records or conduct an annual audit of the Treasurer’s records because they believed the Board’s monthly reviews were sufficient. We explained to them that the Board’s monthly review only examined claims presented for payment and did not constitute a comprehensive audit of all records necessary to verify the accuracy and completeness of the Treasurer’s records and processes. Three Board members did not respond to repeated attempts to contact them to discuss the annual audit requirement.

We reviewed each of the 281 claims totaling approximately \$227,000 paid by the Treasurer and the eight electronic transfers totaling approximately \$36,000 completed by the Treasurer from January 1, 2023 through March 11, 2025, and determined that each claim and transfer was for a valid District purpose. However, because the Board did not conduct the annual audit of the Treasurer’s records, District residents and taxpayers had no assurance that the District’s assets were adequately safeguarded from potential misuse, loss or theft.

Recommendations

5. The Treasurer should comply with Town Law Section 177 and annually submit all books, records, receipts, claims and canceled check images to the Board.
6. The Board should ensure it receives the Treasurer’s records needed to comply with Town Law Section 177 and perform an annual audit of the Treasurer’s records and reports.

Finding 4 – Three Board members did not complete training within the required time period.

One Board member completed the mandatory training within the required time period. Another Board member took office January 1, 2025, and as of October 6, 2025, had not completed the training. The remaining three Board members did not complete the mandatory training within the required 270 days of their first day in office, including one, the Chairman, who did not complete the training until his third year in office – more than 900 days past the deadline (Figure 1).

Figure 1: Board Oversight and Training

Board Member	Term Start	Date Completed	Days Late
Board Member #1 (Chairman)	1/1/2020	3/25/2023	909
Board Member #2	1/1/2021	3/25/2022	178
Board Member #3	1/1/2022	3/25/2023	178
Board Member #4	1/1/2023	3/25/2023	0
Board Member #5	1/1/2025	N/A	8

The Board members who did not complete the training when required did not respond to our attempts to contact them to determine the reason for their noncompliance.

Had the Board members completed the mandatory training in a timely manner, they would have been better prepared to develop and implement necessary policies and effectively oversee the District’s financial activities.

Recommendation

7. Board members should complete mandatory oversight training within 270 days of their first day in office.

Finding 5 – The Board did not seek competition for the purchase of equipment.

In July 2024, the Board approved the purchase of a UTV for approximately \$28,000. This amount exceeded the statutory threshold¹ for purchase contracts of more than \$20,000 which required the Board to use a competitive bidding process. However, the Board completed the purchase without advertising for bids.

¹ GML Section 103. See Appendix A.

The Chairman told us that competitive bidding was not used because of specific engine specifications they wanted that were only available at one vendor. However, UTVs are not considered legitimate sole-source items, which would have exempted the District from bidding requirements. Using the specifications of the purchased UTV, we contacted a local vendor who offered a similar model with comparable engine features for approximately \$8,000 less than the Board-approved payment.

Because the Board did not follow the required competitive bidding process, it had no assurance that the purchase promoted fair competition, ensured the acquisition of quality equipment at the lowest cost, or protected against favoritism, waste and fraud. Moreover, it denied interested vendors a fair and equal opportunity to compete and the Board may have spent more District funds than necessary.

Recommendations

Board members should:

8. Comply with competitive bidding requirements.
9. Attend training that addresses competitive bidding requirements including understanding the exceptions allowed for sole-source items.

Appendix A: Profile, Criteria and Resources

Profile

The District provides fire protection services and emergency medical services for the Towns of Wirt and Bolivar in Allegany County. It is a district corporation of the State, distinct and separate from the Towns, and is governed by the elected five-member Board which is responsible for the District's overall financial management. The Board appoints a District Secretary/Treasurer (Treasurer), who serves as the District's chief fiscal officer and is responsible for maintaining accounting records and preparing monthly and annual financial reports.

Criteria – Board Oversight

A board is responsible for overseeing a fire district's financial activities and safeguarding its resources. To effectively oversee financial operations, it is essential for a board to establish defined policies and procedures. GML Sections 39, 104-b and 806 require a board to adopt an investment policy, procurement policy and code of ethics policy, respectively. An investment policy provides guidelines on how to manage fire district investments. It should establish a prudent set of basic procedures to meet investment objectives that help ensure invested assets are adequately safeguarded. A procurement policy provides guidelines for procuring goods and services. Procurement policies and procedures generally ensure that competition is sought in a reasonable and cost-effective manner for purchases that fall below the bidding thresholds and for other contracts exempt from competitive bidding. A code of ethics policy establishes standards of conduct reasonably expected of officers, employees and volunteers and provides standards for the appearance of impropriety.

GML Section 6-g permits a board to establish capital reserve funds to restrict portions of fund balance to provide financing for capital-related costs, including capital improvements, vehicles and equipment. There is no referendum requirements for expenditures made from a "specific" capital reserve fund. However, expenditures from "specific" capital reserve funds can only be made upon authorization of the governing board. GML Section 6-d permits a fire district board to establish a repair reserve to pay for certain repairs to capital improvements or equipment. The type of repairs must not recur annually or at shorter intervals. There are no referendum requirements for the establishment of a repair reserve fund or for expenditures from the fund. A resolution appropriating money from a repair reserve fund is subject to a public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing.

Town Law Section 177 requires a fire district treasurer to submit their books, records, receipts, vouchers (i.e., claims) and canceled check images to the board annually so the board can conduct an audit of the treasurer's records. An annual audit helps a board carry out its oversight responsibilities of a treasurer's operations and ensures the accuracy of the treasurer's records and processes. Conducting annual audits can help officials detect and prevent loss or theft of funds.

Town Law Section 176-e requires that all elected and appointed commissioners complete an OSC approved oversight training course within 270 days of their first day in office. The training course must include the commissioners' legal, fiduciary, financial, procurement and ethical responsibilities. Commissioners are required to complete the training each time they are elected, re-elected, appointed or reappointed to office. Training provides fire district board members with opportunities to become aware of statutory requirements and sound management practices that help them with their oversight responsibilities.

GML Section 103 generally requires fire districts to solicit competitive bids for purchase contracts above \$20,000 and public works contracts above \$35,000, with certain exceptions. One of the goals of seeking competition is to foster honest competition that enables a fire district to obtain quality commodities and services at the lowest cost. Seeking competition also helps a board to guard against favoritism, extravagance and fraud, while allowing interested vendors a fair and equal opportunity to compete.

Additional Board Oversight Resources

Figure 2: OSC Publications

OSC Local Government Management Guides available on our website to help officials understand and perform their responsibilities		
<i>Fiscal Oversight Responsibilities of the Governing Board</i>	<i>Seeking Competition in Procurement</i>	<i>Reserve Funds</i>
LOCAL GOVERNMENT MANAGEMENT GUIDE Fiscal Oversight Responsibilities of the Governing Board  Office of the New York State Comptroller Thomas P. DiNapoli Local Government and School Accountability INTERNAL CONTROLS SERIES https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf	LOCAL GOVERNMENT MANAGEMENT GUIDE Seeking Competition in Procurement  Office of the New York State Comptroller Thomas P. DiNapoli Local Government and School Accountability OPERATIONS SERIES https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf	LOCAL GOVERNMENT MANAGEMENT GUIDE Reserve Funds  Office of the New York State Comptroller Thomas P. DiNapoli Local Government and School Accountability BUDGETING AND PLANNING SERIES https://www.osc.ny.gov/files/local-government/publications/pdf/reserve-funds.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials

RICHBURG-WIRT FIRE DISTRICT

P.O. BOX 181

RICHBURG NY 14774

Timothy Burdick, Chairman

Ronald Dunmire, Board Member

Ken Moore, Board Member

Mark Dorrett, Board Member

Amanda Griswold, Board Member

Laura Manners, Secretary/Treasurer

October 23, 2025

Melissa Myers, Chief
295 Main Street
Suite 1032
Buffalo NY 14203

RE: Report: 2025M-73
Board Oversight

Dear Ms. Myers;

We, the board, have met to discuss the draft report for the Audit for the Richburg-Wirt Fire District. In reading the report, the board agrees of no inaccuracies or findings. The board will take corrective measures to implement all the recommendations that have been brought to our attention.

The board accepts this report as written.

Sincerely,

Timothy Burdick, Chairman of the Board

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed written policies and procedures to gain an understanding of the District's operations and determine whether the Board developed and adopted statutorily required policies and to determine whether Board members received mandatory training after assuming their roles as commissioners. On October 6, 2025 we requested updated fiscal training records from District officials.
- We interviewed District officials and reviewed Board meeting minutes for the audit period to determine whether the Board approved reserve fund activity and the funds were properly used, whether equipment purchases were bid in accordance with requirements, and whether an annual audit of the Treasurer's records and reports was conducted.
- We reviewed accounting records and corresponding bank statements from January 1, 2023 through March 11, 2025 to identify all expenditures and reserve fund transfers totaling approximately \$263,000. We examined supporting documentation for these expenditures and transfers to determine whether purchases were for a valid District purpose and whether any exceeded mandatory bidding thresholds. We identified one equipment purchase totaling approximately \$28,000 that exceeded statutory bidding requirements. We examined supporting documentation to determine whether officials complied with competitive bidding requirements prior to making purchases.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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.

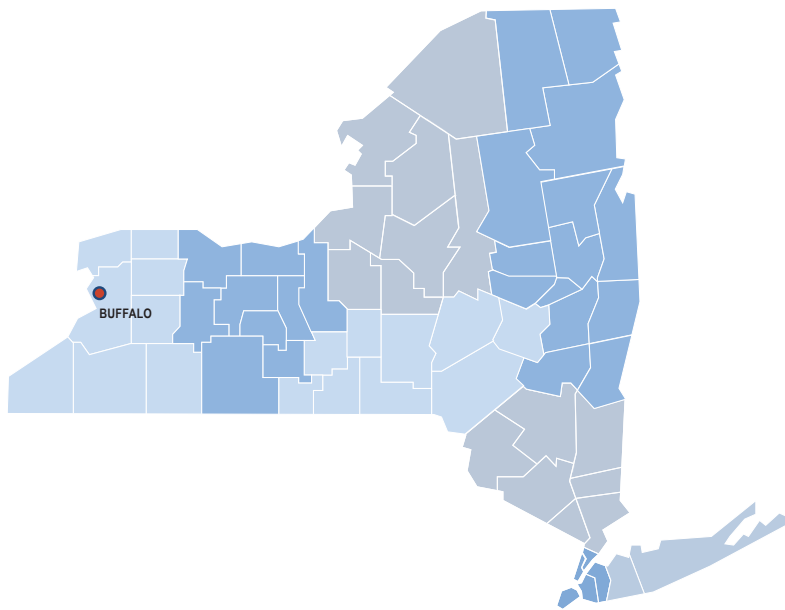
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BUFFALO REGIONAL OFFICE – Melissa A. Myers, Chief of Municipal Audits

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