New York State Comptroller
THOMAS P. DiNAPOLI

East Norwich Volunteer Fire Company Number 1

Fuel Monitoring

2025M- 99 | March 2026

Division of Local Government and School Accountability

Contents

Audit Results

East Norwich Volunteer Fire Company Number 1

Audit Objective	Audit Period
Did the East Norwich Volunteer Fire Company Number 1 (Company) officials adequately monitor fuel inventory for loss, waste or misuse?	January 1, 2023 - November 30, 2024

Understanding the Audit Area

Commonly used commodities such as fuel are frequent targets for theft, waste and misuse. By limiting access, requiring documentation and reviewing fuel records, opportunities for loss, waste and misuse are reduced. A periodic reconciliation of purchases, fuel use, and fuel balances obtained by measuring fuel tanks will determine whether significant amounts of fuel are unaccounted for. If not properly managed, unauthorized access to fuel could occur and remain undetected.

During the audit period, the Company purchased 11,819 gallons of fuel (gasoline (gas) and diesel) totaling $34,708.

Audit Summary

Company officials did not adequately monitor fuel inventory for loss, waste and misuse. Because no one accurately recorded the gallons of fuel delivered or used, monitored and reviewed fuel documents in a timely manner, or performed periodic fuel inventory reconciliations, Company officials have no assurance that fuel was used for proper Company purposes. As a result, 2,936 gallons of fuel, costing $7,603, were not accounted for. Specifically, officials did not:

- Verify the accuracy of fuel purchased. We determined officials purchased 11,819 gallons of fuel, but only recorded fuel purchased totaling 10,691 gallons during the audit period, a discrepancy of 1,128 gallons.
- Ensure that records were complete and accurate. We determined drivers dispensed fuel 441 times during the audit period, but they incorrectly documented vehicle identification (ID) numbers 16 times. In addition, drivers incorrectly documented or did not document their driver ID numbers 33 times, and incorrectly documented odometer readings or did not document the readings 235 times. This information is needed to effectively monitor fuel.
- Reconcile fuel records to ensure that fuel was accounted for.

Had the Board-designated Trustee (Trustee), responsible for overseeing the fuel records ensured that the information maintained for the purchase and use of fuel was complete and accurate, discrepancies could have been identified in a timely manner, allowing for prompt corrective action to be taken.

The report includes four recommendations that, if implemented, will improve the Company's control over fuel inventory. Company officials generally agreed with our findings and indicated they plan to initiate corrective action.

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

The Board has the responsibility to initiate corrective action. We encourage the Board to prepare a written corrective action plan (CAP) that addresses the recommendations in this report and forward it to our office within 90 days. 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.

Fuel Monitoring: Findings and Recommendations

Fire company officials should establish procedures to monitor fuel use to safeguard fuel inventory against loss, waste and misuse. Monitoring fuel use requires drivers maintain accurate records and fire company officials review these records in a timely manner. Individuals responsible for fueling fire company vehicles should be provided with guidance on their responsibility to accurately record the user, vehicle and odometer reading into the system to monitor use.

The Company uses 1,000-gallon gas and 1,000-gallon diesel tanks to fuel the Company's 18 vehicles.[1] Each fuel tank has a padlock only accessed by keys maintained in each Company vehicle and in the dispatcher's room. During our audit period, the Company's fuel inventory monitoring procedure was to have the Engineer's office monitor fuel purchased and fuel dispensed at the pump. The Company maintains a gas and diesel fuel tracking log to record the fuel level of each tank as well as the gallons of fuel delivered. Each fuel tank is generally measured every 10 days to record fuel levels to determine how much fuel to purchase and whether significant amounts of fuel are unaccounted for.

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

Finding 1 – Company officials did not always correctly record fuel purchased.

During the audit period, the Company's fuel invoices indicated it received 13 deliveries of gas and nine deliveries of diesel, for a total of 11,819 gallons of fuel. However, Company officials recorded 10,691 gallons of fuel on the gas and diesel fuel tracking sheet, a discrepancy of 1,128 gallons.

We determined that this discrepancy occurred because the Engineer's office recorded the fuel ordered instead of the actual amount delivered. The Assistant Engineer explained that during each delivery, the fuel vendor first checks the current fuel level in the tanks to determine how much it contains, and how much additional fuel can be added during the delivery to prevent an overflow. For example, on March 12, 2024, the Engineer's office documented 500 gallons of fuel ordered and delivered; however, the invoice showed 550 gallons of gas delivered. The Assistant Engineer said that the discrepancy remained in the Engineer's office records because he may have forgotten to adjust the records to reflect the actual amount of fuel delivered.

Because the Engineer's office inaccurately recorded the gallons of fuel delivered on the gas and diesel fuel tracking sheets, Company officials were unable to properly reconcile fuel purchased to fuel used.

1 The 18 vehicles consist of seven fire apparatus, three emergency medical vehicles, six sports utility vehicles, one tractor and one tractor-trailer used for annual parades.

Recommendation

1. The Engineer's office should develop written procedures and ensure that accurate and complete information is entered into the fuel system when fuel is delivered.

Finding 2 – Company officials could improve the completeness and accuracy of the fuel usage records.

Gas and diesel fuel use sheets generally contained the date and gallons dispensed; however, Company officials did not ensure that drivers adequately completed other required details to effectively monitor fuel usage, such as odometer readings, and the driver and vehicle ID numbers when fuel was dispensed. Incomplete records could make it difficult to monitor fuel usage and could lead to inefficient fuel use and increased costs for the Company. During the audit period, the Company records showed drivers dispensed fuel 441 times for a total of about 8,144 gallons of fuel. We determined:

Odometer Readings – 226 instances (52 percent) had no odometer readings recorded when 4,168 gallons of fuel were dispensed. Additionally, there were nine instances (2 percent, 188 gallons of fuel dispensed) with incorrect odometer readings recorded because the reading was less than the previous reading for the same vehicle. The Assistant Engineer told us that documenting vehicle mileage was not his primary concern, because the Engineer's office was more focused on the reasonableness of the fuel use given operational circumstances. For example, a vehicle could travel only three miles for a call while the engine stays idle for hours, which uses fuel. Therefore, the odometer reading alone would not reflect the fuel used. However, the Company does document odometer readings for each vehicle to help determine the reasonableness of fuel usage, and to schedule services and repairs. Recorded vehicle mileage for each vehicle should still be reviewed to adequately monitor fuel use and correlate fuel consumption with distance traveled to determine whether it is reasonable for each vehicle, to identify fuel consumption, and to schedule maintenance which can improve fuel efficiency.

Drivers' ID Numbers – For 33 instances (628 gallons of fuel dispensed) either the driver's ID number was not documented, or the driver's ID number did not match the Company's list of drivers' ID numbers. This included 28 instances (6 percent, 545 gallons of fuel dispensed) where the driver's ID number did not exist, and five instances (1 percent, 83 gallons) where the driver's ID numbers were missing. Driver ID numbers are necessary to ensure the driver's accountability and to determine whether fuel was dispensed by an authorized Company individual.

Vehicle ID Numbers – Sixteen instances (4 percent, 285 gallons of fuel dispensed) had incorrect vehicle ID numbers, because they did not match any of the assigned vehicle ID numbers, and three instances (1 percent, 55 gallons of fuel dispensed) had vehicle ID numbers missing. The Assistant Engineer informed us that sometimes partial vehicle ID numbers were entered. However, he was not able to identify the vehicles in the 16 instances based on the numbers recorded. Recording accurate vehicle

ID numbers is necessary to precisely track each vehicle's fuel efficiency and consumption patterns over time, and to prevent fueling unauthorized vehicles.

Many of these discrepancies could be identified in a timely manner by monitoring fuel use and reviewing fuel documents on a regular basis. Furthermore, when there is no review or reconciliation of the fuel documents to identify and follow up on anomalies, Company officials have reduced assurance that fuel is being used for proper Company purposes.

Recommendation

The Engineer's office should:

2. Develop written procedures and instruct fuel drivers about the importance of entering accurate and complete information including driver and vehicle ID numbers and odometer readings when fuel is dispensed.

Finding 3 – Company officials did not reconcile fuel inventory.

The Company did not have written procedures for using, monitoring and reconciling fuel inventory. The Board designated a Trustee to oversee the Engineer's office. The Trustee did not ensure that the Assistant Engineer performed a reconciliation of the Company's fuel inventory. While the Assistant Engineer measured fuel in the tank with a dipstick approximately every 10 days to determine when to reorder, he did not reconcile the measured fuel levels to the fuel purchased and dispensed to ensure that all fuel was accounted for.

The Company's fuel tanks are in the rear of the building, secured by padlocks for each fuel tank. Drivers need a key to unlock the padlocks. The Trustee told us that blank copies of paper fuel slips were stored inside each Company vehicle. After the drivers dispensed fuel, they were required to complete the paper fuel slip by recording:

- The fuel type (gas or diesel),
- Gallons of fuel dispensed,
- The driver's ID number,
- Odometer reading of vehicle, and
- Vehicle ID number.

As of November 14, 2024, the Company replaced the paper fuel use slips with an electronic fuel use form completed by the driver entering the same information into a device, which then generates a driver

entry report from all driver entries. The Assistant Engineer is responsible for maintaining this report as well as the gas and diesel fuel tracking sheets, which are used to record fuel deliveries and fuel tank measurements. Although the Assistant Engineer told us that he is required to maintain these reports, the Engineer's office did not adequately monitor fuel use because no one was reconciling the fuel used on the driver entry report with the fuel measurements on the gas and diesel fuel tracking sheets to detect loss, waste or misuse.

During the audit period, the Company purchased 7,245 gallons of gas and 4,574 gallons of diesel, amounting to $19,912 and $14,796, respectively. We reconciled the fuel purchased to the recorded fuel dispensed and determined 2,395 gallons of gas and 541 gallons of diesel were unaccounted for, representing a total cost of $6,098 and $1,505, respectively (Figure 1). The total amount of fuel that could not be accounted for was 2,936 gallons, with an estimated value of $7,603.

Figure 1: Unaccounted-For Fuel

Fiscal Year	Gas Gallons	Gas Amount	Diesel Gallons	Diesel Amount	Total Unaccounted-For Fuel Gallons	Total Fuel Cost of Unaccounted-For Fuel
2023	1,891	$4,897	291	$861	2,182	$5,758
2024	504	1,201	250	644	754	1,845
Total	**2,395**	**$6,098**	**541**	**$1,505**	**2,936**	**$7,603**

The Assistant Engineer informed us that when he was assigned this role in 2023, he knew he was responsible for maintaining fuel measurement, dispense, purchase and usage form records. However, he was never instructed to reconcile the fuel records or to address any discrepancies that may arise. He indicated that the unaccounted-for fuel could have resulted from various factors, including incomplete gas and diesel fuel use forms by the drivers or potential documentation loss. Because the Engineer's office did not perform periodic fuel inventory reconciliations, there is an increased risk that fuel could have been lost, wasted or misused without being detected and corrected.

Recommendations

Company officials should:

3. Develop written procedures and ensure that fuel inventory reconciliations between the fuel measured, purchased and dispensed are performed to identify discrepancies. Establish a variance threshold and investigate discrepancies exceeding the established threshold to determine the reasons for fuel inventory discrepancies and to take corrective action.

4. Follow up on discrepancies documented in this report.

Appendix A: Profile, Criteria and Resources

Profile

The Company provides fire protection and emergency services to the Town of Oyster Bay and the Villages of Brookville, Muttontown and Upper Brookville, all located in Nassau County. The elected 14-member Board, including the Chairman and 13 Commissioners, governs the Company and is responsible for its overall financial management. The Company's budgeted appropriations totaled $1.3 million in 2024.

The Board delegated to one of its Trustees the responsibility for supervising, reviewing and monitoring fuel inventory within the Engineer's office. The Assistant Engineer reports to this Trustee and is responsible for the day-to-day management of the Company's fuel inventory, and is also responsible for measuring, purchasing, and recording fuel dispensed as documented on gas and diesel fuel reports, and reconciling Company fuel.

Criteria – Fuel Monitoring

Commonly used commodities such as fuel are frequent targets for theft and misuse. By limiting access, requiring documentation and reviewing records for these commodities, opportunities for theft are reduced. A periodic reconciliation of purchases, fuel use, and fuel balances obtained by measuring fuel tanks will determine whether significant amounts of fuel are unaccounted for. If not properly managed, unauthorized access to fuel could occur and remain undetected.

Gas and diesel fuel use should be tracked by vehicles and by individuals accessing it. In the absence of a card system, a manual record should be maintained with dates, gas and diesel fuel used, the vehicle receiving the fuel and by whom dispensed it. Fuel is highly transferable and if it is not maintained in a controlled environment with accountability over its use, its disappearance is difficult to track.

Inaccurate odometer, vehicle or driver ID numbers diminish the usefulness of the fuel reports. Reports generated by the system should be maintained and reviewed periodically for accuracy. For example, officials should ensure the number of fuel gallons dispensed is comparable (or relative) to mileage covered between each fueling cycle. Any discrepancies should be investigated and resolved. These measures help to monitor fuel use to provide assurance that fuel is accounted for and only used in Company vehicles and equipment.

Additional Fuel Monitoring Resources

Figure 2: OSC Publications

OSC *Local Government Management Guides* and other informational resources are available on our website to help officials understand and perform their responsibilities and implement effective internal controls.

The Practice of Internal Controls	***Managements Responsibility for Internal Controls***
	
https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.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 Company Officials

Company officials refer to their corrective action plan as a part of their response. Because Company officials' response included sufficient information indicating they plan to initiate corrective action, we did not include the corrective action plan in the final report.

East Norwich Volunteer Fire Company Number 1
900 Oyster Bay Road, East Norwich, Long Island N.Y. 11732 -1014
PROTECTING EAST NORWICH, UPPER BROOKVILLE,
MUTTONTOWN (Original Village) AND PARTS OF BROOKVILLE

Todd E. Cronin, *Chief*
Sean P. Cronin, *1st Assistant Chief*
Jessica M. Crowley, *2nd Assistant Chief*

Christopher E. Velsor, *President*
Thomas R. Aasheim, *Vice President*
R. Russell Fuller, *Secretary*
Frank B. LaBella, *Treasurer*
Jeffrey A. Shoemaker, *Recording Secretary*

March 11, 2026

Office of the State Comptroller
Division of Local Government & School Accountability RDU – CAP Submission
110 State Street, 12th Floor
Albany, NY 12236

Re: East Norwich Volunteer Fire Company No. 1, Inc.
2025M-99 Report of Examination – Fuel Monitoring
Audit Response and Action Plan

Dear Madam/Sir:

The following is our organization's response to the above captioned Audit and Findings. It is our position that the Fire Company does not object to the audit findings and agrees that greater controls concerning monitoring fuel storage and use are appropriate. Therefore, the within response shall serve as a consolidated "Response and Corrective Action Plan".

The Fire Company respectfully submits the within Response and Corrective Action Plan. The Corrective Action Plan is attached hereto as Schedule A. The Action Plan includes a detailed process for the monitoring of fuel deliveries and consumption. The attached Plan describes in detail the Fire Company Policy, including the Plan's purpose, goals, scope, procedures, the roles and responsibilities of those implementing the Plan, as well as the Officers of the Corporation responsible for maintaining the Plan.

The Plan will be implemented on or before March 16, 2026, and will be implemented under the supervision of the Fire Company's Chief Engineer, Treasurer, and the President of the Corporation. Once implemented the Chief Engineer and the Treasurer will report to the President and Board of Trustees with respect to on-going fuel monitoring.

HEADQUARTERS - 516-922-0263 FAX - 516-922-0774 EMERGENCY - 742-3300

The within response and action plan has been unanimously approved by the Corporation's Board of Trustees in meeting called for that purpose on March 9, 2026, in accordance with the Corporation's By-Laws. The Board of Trustees has authorized the Corporation's President to provide the within response.

Sincerely,

Christopher E. Velsor, President

.cc Frank LaBella, Treasurer
Chief Engineer
Board of Trustees
Attachment, Schedule A Corrective Action Plan

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 Company officials and reviewed fuel-related documents and records such as contracts, invoices and fuel reports to gain an understanding of the Company's fuel management practices including monitoring fuel use, reviewing fuel purchases, restricting access to Company fuel, safeguarding fuel and maintaining inventory records.
- We obtained invoices for gas and diesel fuel purchased between January 1, 2023 and November 30, 2024, to determine the amount of fuel purchased during the period and the total cost for the fuel purchased. We obtained gas and diesel fuel use slips and tracking sheets for the same period to review fuel dispensed. We used this documentation to determine whether fuel was reconciled and whether balances in each fuel tank were accurate.
- We used the gas and diesel fuel tracking sheets prepared by the Assistant Engineer to record gas and diesel fuel measurements recorded in inches and gallons, including the dates when fuel was measured and delivered. We began with the first measurement in each calendar year. We then recorded the gas and diesel fuel dispensed as recorded by the drivers in calendar year 2024. Since the drivers' fuel use slips were not available for calendar year 2023, we used the gas and diesel fuel dispensed as recorded by the Assistant Engineer. We then calculated the expected gas in the tank for each year by adding fuel delivered and subtracting the fuel dispensed. We compared this to the recorded fuel in the tank and reported on any discrepancies.
- To arrive at an estimated cost for fuel variance, we first calculated the average cost of fuel purchased each year. We separated each invoice by fuel type (gas or diesel). We then multiplied the average cost of the unit per gallon by the amount of the variance to obtain the estimated cost for the unaccounted-for fuel.
- We obtained a list of the Company's assigned vehicle and driver ID numbers and compared it to the vehicle and driver ID numbers documented on the fuel tracking sheets and the driver's fuel use slips to determine whether only authorized vehicles and drivers received Company fuel. We also compared any unidentified driver ID numbers to officers' shield numbers. We also documented instances where there were no recorded odometer readings recorded or driver or vehicle ID numbers.

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(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective(s).

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

Contact

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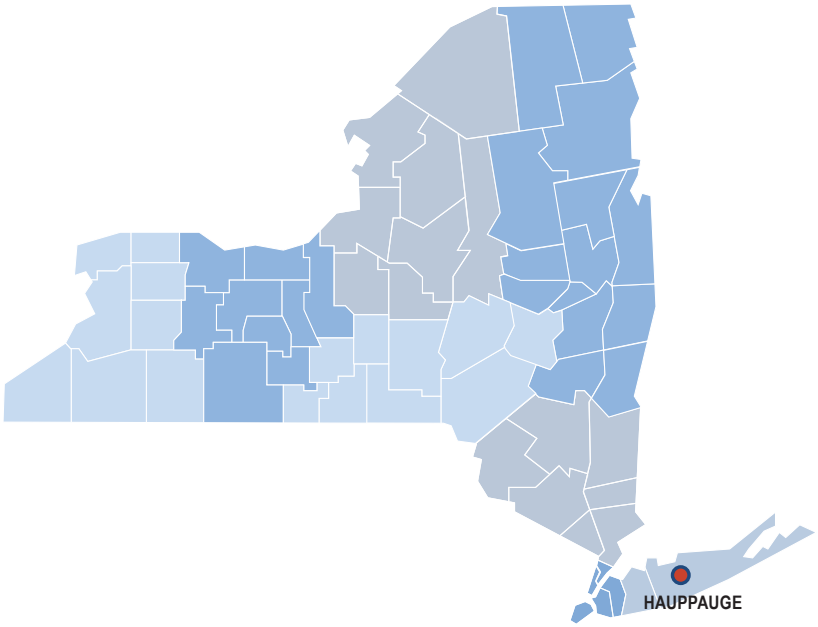

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