New York State Comptroller
THOMAS P. DiNAPOLI

Lake Mohegan Fire District

Procurement

July 2026 | 2026M-031

Prepared by the Division of Local Government and School Accountability

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Audit Results

Lake Mohegan Fire District

Audit Objective

Did the Lake Mohegan Fire District (District) Board of Commissioners (Board) use a competitive process to procure goods and services?

Audit Period

January 1, 2024 – September 30, 2025

We extended our audit period to February 1, 2023, to review the purchase of pumper trucks.

Understanding the Audit Area

A board of fire commissioners and its officials should seek competition for goods and services to help guard against favoritism, extravagance and fraud, and help ensure public funds are used in an economical manner while allowing interested vendors a fair and equal opportunity to compete.

During the audit period, the District purchased 112 goods and services totaling $6.2 million.

Audit Summary

The Board and District officials did not always use a competitive process to procure goods and services in accordance with statutory requirements in New York State General Municipal Law (GML), the District's procurement policy or best practices. As a result, the Board and District officials lack assurance that procurements were made in a manner that promoted competition, transparency, free from favoritism and economical use of public funds. Adhering to GML and the District's procurement policy enhances public confidence in the procurement process and helps serve the best interests of taxpayers.

The Board could not support that a competitive method was used to obtain goods and services totaling $5.3 million, representing 85 percent of the procurements made during the audit period. The Board did not:

- Maintain documentation to support adherence to the piggybacking exception to competitive bidding, or obtain competitive bids for 10 purchases totaling $4.7 million as required in GML and the District's procurement policy.

- Issue requests for proposals (RFPs) or use any other competitive process before procuring professional services from 12 vendors totaling $582,686 during the audit period.

- Obtain quotes for 13 purchases totaling $84,549, as required by the District's procurement policy.

The report includes eight recommendations that, if implemented, will improve the District officials' ability to procure goods and services in accordance with statutory requirements, District policy and procurement best practices and enhance oversight and accountability and help ensure that goods and services are obtained through fair and competitive processes. District officials generally agreed with our findings and indicated they plan to initiate corrective action. Appendix C includes our comment on an issue District officials raised in their response letter.

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 GML. Our methodology and standards are included in Appendix D.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law (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.

Procurement: Finding and Recommendations

One of the best methods to help ensure goods and services are acquired in a cost-effective manner is to seek competition that is required by law or fire district policy adopted by the board. A goal of seeking competition is to foster honest competition to obtain quality goods and services at a favorable cost to the taxpayers. Whether seeking formal competitive bids, issuing RFPs or obtaining written quotes, a well-planned solicitation effort is needed to reach as many qualified vendors as possible.

In accordance with GML, a board of fire commissioners is generally required to seek competitive bids for purchase contracts that exceed $20,000 and contracts for public work that exceed $35,000. When determining whether these statutory dollar thresholds have been met, district officials must consider whether the aggregate amount to be spent on same or similar goods or service within a 12-month period will exceed the statutory dollar threshold set forth in GML. The District's procurement policy also indicates that purchases should be reviewed to determine whether the purchase, if aggregated, could reasonably be expected to exceed the statutory thresholds.

GML, however, includes certain exceptions to the competitive bidding requirements. One exception, referred to as "piggybacking," allows a fire district board to procure certain goods and services by using other government contracts. However, certain prerequisites must be met to qualify for the piggybacking exception to competitive bidding.

Furthermore, GML requires a fire district board to adopt written policies and procedures governing the procurement of goods and services, such as professional services, that are not subject to GML's competitive bidding requirements. For example, the District's procurement policy generally requires officials to obtain verbal or written quotes for purchases above $2,000. A fire district board is also generally responsible for procuring professional services in a manner that ensures the prudent and economical use of public funds in the taxpayers' best interests, such as by issuing RFPs.

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 3), are included in Appendix A.

Finding 1 – The Board did not always seek competition when procuring goods and services.

We reviewed purchases of goods and services totaling $6.2 million from February 1, 2023 through September 30, 2025, and determined that the Board did not always seek competition in accordance with statutory requirements set forth in GML, the District's procurement policy or best practices.

Competitive Bidding – We reviewed 22 purchases totaling $5.2 million to determine whether the Board sought competition in accordance with GML Section 103 or, when competitive bidding was not required, pursuant to the District's procurement policy. The Board did not solicit competitive bids or document compliance with GML for 10 of the 22 purchases (45 percent) totaling $4,661,803 including:

- One purchase of two pumper trucks totaling approximately $3.1 million without documenting that each of the three prerequisites were met before using the piggybacking exception to competitive bidding set forth in GML. This purchase price included an additional $100,000 for engine upgrades and $75,000 for upfitting and equipment installation.

  The Board entered into a contract in October 2024 to purchase two pumper trucks through the use of another state's contract using a Group Purchasing Organization (GPO). The Board did not document, however, that each of the three prerequisites necessary for the exception to apply were met before awarding the contract. The District Chief (Chief) and Chairman of the Board (Chairman) also told us they used the piggybacking exception to the competitive bidding requirements without consulting with the attorney for the District.

The Chief told us the District previously used a contract extended by the GPO in 2017 to purchase a pumper truck after learning that piggybacking was an acceptable practice. District officials believed that the contract with the dealer to purchase the two pumper trucks, which was based on a contract extended through the GPO, complied with GML piggybacking exception to competitive bidding. However, the Board was not aware that in order to use the piggybacking exception, the District is responsible for reviewing each proposed procurement to determine (on the advice of the District's legal counsel, as appropriate) whether the procurement satisfies the three prerequisites set forth in the statute and that the District should maintain documentation to support that each of the prerequisites has been met.

- In February 2023, District officials purchased a pumper truck totaling $959,000 without seeking competition. The truck was delivered in November 2023. The Chairman and the Chief told us they did not seek bids for the truck because a local dealer offered the District an "in stock" pumper truck from a cancelled order by a neighboring District. The dealer told them they would save money and lead time on production since the engineering work was completed.

  The Chairman and Chief told us they believed they were getting the best price and could quickly replace the old pumper truck. However, the Board did not provide written documentation showing other vendors were contacted or that an analysis was completed, ensuring the purchase of the pumper truck was cost effective and in the best interests of District taxpayers. Moreover, no exception to the competitive bidding law applied to the purchase of the truck. Therefore, even if the District had written documentation, the purchase of the truck was still subject to the competitive bidding requirements set forth in GML.

The Board also approved non-apparatus purchases without seeking competitive bids. Specifically, the Board approved:

- Payments, when aggregated, totaled $461,402 for preventive truck maintenance and repairs.
- Payments, when aggregated, totaled $60,914 for uniforms.
- The purchase of a used utility vehicle from a private entity totaling $45,000.
- Payments for light duty vehicle preventive maintenance and repairs, when aggregated, totaled $22,957.
- An annual emergency management software subscription renewal totaling $20,157.

The Board did not always seek competition for purchases, when aggregated, that would have required competitive bids because the Board was not aware of the requirement to aggregate same or similar goods and services. Therefore, the Board did not periodically review purchases to determine whether aggregated purchases exceeded the bidding threshold. In addition, Commissioners told us they sought pricing information before purchasing the used utility vehicle from the private entity, but they did not maintain documentation and were not aware that seeking bids was required for the purchase of used vehicles, when purchased from a private source.

The Chief told us that the annual subscription for software was selected because it improved reporting to state and federal agencies. However, the District did not maintain documentation to support purchasing decisions or the use of possible bidding exceptions.

When the Board does not seek competition for purchases or document the methods used as an exception to seek competition, the District has an increased risk that purchases will not be made in the most prudent and economical manner, in the District's best interest, without favoritism, or in compliance with applicable statutes.

<u>Professional Services and Insurance Coverage</u> – It is well established that the award of professional service contracts falls outside the competitive bidding requirements set forth in GML. Furthermore, the District's

procurement policy generally exempts the District from seeking competition before the acquisition of professional services and insurance coverage. However, as a best practice, the Board should periodically seek some form of competition, such as issuing an RFP or obtaining written proposals or quotes, before awarding contracts for professional services and insurance coverage. The Board did not issue RFPs or obtain written quotes before procuring professional services totaling $582,686 and insurance coverage totaling $502,750 during the audit period (Figure 1).

Figure 1: Purchases Made Without Issuing RFPs

Professional Services and Insurance coverage

Type	Amount
Insurance Services	$502,750
Accounting and Annual External Audit	23,195
Physical Test Services	16,458
Length of Services Award Program Administration	14,318
Emergency Training Services	12,290
Inspection and Pump Performance Testing	11,275
Legal Services	2,400
Total:	**$582,686**

Additionally, the Board did not issue RFPs to obtain proposals for audit services totaling $23,195, as required by Town Law Section 181-b. The District retained the services of the same accountant to provide audit services for at least 11 years, despite the District being required pursuant to Town Law to request proposals for audit services every five years. District officials told us that the contract for the annual audit was renewed annually because the vendor was familiar with District operations and was the most reliable. Commissioners told us that they were not aware of Town Law, and the procurement policy generally did not require the District to use RFPs for professional service contracts. As a result, the Board did not seek competition nor document their decision to retain the accounting firm for more than five years.

Furthermore, District officials did not provide documentation that they always awarded professional service contracts in writing or used retainer agreements as required by the District's procurement policy. For example, the District paid $16,458 to a physician to provide firefighter physicals during the audit period. District officials did not provide documentation of a signed contract or a retainer for these services during a six-year period. Lastly, the District has used almost all the same insurance brokers and benefit administrators for over 11 years.

Commissioners told us they believed that the services of attorneys, insurance service providers and other professionals were excluded from competition, based on the District's procurement policy. While we agree with this reading of the District's procurement policy, as a best practice, we recommend that the District periodically seek some form of competition when awarding professional service and insurance coverage contracts. The Chief and two Commissioners stated that our discussion of the findings provided them with a better understanding of how to proceed with future procurements of professional services.

Although officials may be satisfied with the District's current professional service providers, and the law permits the District to request a proposal from the existing provider, officials should comply with Town Law Section 181-b for audit services and seek competition every five years. Furthermore, although not required by GML or the District's procurement policy, periodically using some form of competitive process when awarding professional service contracts helps increase the awareness of other professional service providers who could offer similar services at a more favorable rate. In addition, periodically seeking competition could result in existing professional service providers providing more favorable terms, and helps assure taxpayers that professional service procurements are made in their best interests.

Purchases Under Competitive Bidding Thresholds – We reviewed 18 purchases totaling $132,776 to determine whether District officials obtained quotes when purchasing goods and services (Figure 2).

Figure 2: Purchases Made Without Obtaining Quotes

Goods and Services

Type	Amount
Building Maintenance and Repair Services	$28,782
IT and Online Training Services	17,322
Food and Refreshments Services	11,970
Fire Training, Policy and Procedure Manual	11,015
Vehicle Maintenance and Repair Services	10,017
Oil Absorbent	5,442
Total:	**$84,548**

We determined District officials did not obtain quotes for 13 of the 18 purchases (72 percent) totaling $84,548. For example, District officials paid four invoices, totaling $13,792 for garage door preventive maintenance and repair services. According to the District's procurement policy, the District should have either sought verbal or written quotes before awarding the service.

During the June 12, 2025 Board meeting, the Chief told the Board he received a quote from the vendor for various needed door repairs within the District. Although he stated that some of the payments were for emergency repairs, the District did not maintain supporting documentation indicating there was an emergency or that he obtained quotes.

Furthermore, the District spent a total of $9,390 to hire a food truck to provide catering services during three retirement celebrations. Although the District's procurement policy required the officials to obtain at least two verbal quotes before awarding the catering services, District officials did not provide documentation to demonstrate that they obtained quotes to determine whether other companies could have provided similar services for less cost.

Officials also told us that the District provides retirement parties for members with a minimum of 20 years of service, and their practice is to allow the retiree to select the food service provider. The Board was not aware of the need for a policy to set guidelines on food and refreshment purchases to supplement the procurement policy and improve transparency.

When the Board does not periodically seek quotes, there is less assurance that the District is receiving the best price and increases the risk that these items may not be obtained in the most cost-effective way. By not adopting a written policy for procuring food and refreshments, the Board is not assured that taxpayer funds are used transparently and in a prudent manner.

Recommendations

The Board should:

1. Adhere to the District's procurement policy and retain appropriate supporting documentation of the actions taken when procuring goods and services.
2. Review procurements involving the piggybacking exception to determine whether the prerequisites for using the exception are satisfied according to GML Section 103 and maintain appropriate documentation.

3. As appropriate, consult with the District's legal counsel before making purchases using the exception set forth in GML Section 103(16) to evaluate whether an award using the exception is consistent with NYS competitive bidding requirements.
4. Review planned purchases to determine whether the purchases are subject to aggregation, and therefore may become subject to competitive bidding.
5. As a best practice, periodically award contracts for professional services and insurance coverage after seeking some form of competition at reasonable intervals, such as every three to five years.
6. Issue an RFP for annual audit services as required by Town Law.
7. Ensure quotes are obtained and documented as stated in the District's procurement policy when purchasing goods and services under the bidding thresholds.
8. Consider adopting a food and refreshments policy to set guidelines on such purchases.

Appendix A: Profile, Criteria and Resources

Profile

The District operates four fire stations and provides fire protection services for part of the Town of Yorktown and part of the Town of Corlandt, which are both located in Westchester County. The fire protection services are provided by 39 paid and 60 volunteer firefighters. The District's 2025 budget was $13.8 million.

The District is governed by the Board, composed of five elected Commissioners. The Board is responsible for general management and control of financial operations, including ensuring that goods and services are acquired in a cost-effective manner by creating as much competition as possible. The Chief acts as an informal purchasing agent, responsible for purchasing goods and services under the Board's guidance.

Criteria

GML Section 103 generally requires fire districts to advertise for competitive bids for purchase contracts exceeding $20,000 and public work contracts exceeding $35,000. To determine whether competitive bidding is necessary, district officials must consider whether the aggregate amount to be spent on same or similar goods or services, within a 12-month period, will exceed the statutory dollar thresholds set forth in GML, whether from a single vendor or multiple vendors. The timeline for the aggregate cost determination should start from the first purchase date of the good or service. To help ensure fire district officials are properly aggregating purchases, officials can use the prior year's expenditures as a good way to estimate whether purchases of a commodity or service will exceed the statutory bidding limit for the current year.

GML, however, sets forth certain exceptions to the competitive bidding requirements. One exception, often referred to as "piggybacking," allows fire districts to procure certain goods through the use of other government contracts. Certain prerequisites must be met to qualify for the exception, including:

- The contract must have been awarded by the United States, any U.S. agency, any state, or any other political subdivision or district therein.
- The contract must have been made available for use by the other government entity.
- The contract must have been awarded to the lowest responsible bidder or based on the best value, as defined in New York State Finance Law Section 163.

Use of the piggybacking exception allows fire districts to benefit from the competitive process already undertaken by another government entity. In some instances, group purchasing organizations (GPOs) advertise the use of such government contracts to other government entities. However, when procuring goods or services through the use of a GPO, fire district officials are still responsible for reviewing the proposed procurement to determine, on advice of the fire district's legal counsel as appropriate, whether the procurement satisfies the prerequisites for use of the piggybacking exception. Therefore, fire district officials should maintain appropriate documentation to demonstrate that they met the prerequisites to support the use of the exception. As noted above, documentation may include such items as copies of the contract, as well as an analysis of the contract to help ensure the contract has met each of the prerequisites set forth in the piggybacking exception.

Furthermore, GML Section 104-b requires a board of fire commissioners to adopt written policies and procedures governing the procurement of goods and services that are not required to be competitively bid by law. The District's procurement policy requires officials to analyze potential purchases to determine whether they must use a competitive bidding process to procure the goods and services. The analysis applies to any purchase that exceeds $20,000 or is expected to exceed $20,000 in aggregate for the same commodity or service within the fiscal year. It also applies to public works contracts exceeding $35,000. The District's procurement policy also requires that officials and employees seek competition to be presented to the Board for approval for select purchases below the bidding thresholds (Figure 3).

Figure 3: Purchasing Policy Requirements

	Purchase Contracts Below $20,000
$0 to $1,999.99	One Quote
$2,000 to $4,999.99	Two Verbal Quotes
$5,000 to $9,999.99	Two Written Quotes or Request for Proposals
$10,000 to $19,999.99	Three Written Quotes or Request for Proposals

	Public Works Contracts Below $35,000
$0 to $2,999.99	One Quote
$3,000 to $4,999.99	Two Verbal Quotes
$5,000 to$6,999.99	Two Written Quotes or Request for Proposals
$7,000 to $34,999.99	Three Written Quotes or Request for Proposals

	Apparatus and Equipment Repair
$0 to $2,999.99	Captain and One Board Member Approval
$3,000 to $9,999.99	Captain and Two Board Member Approval
$10,000 and Up	Board Approval

GML Section 104-b, however, permits fire districts to set forth circumstances or types of procurement for which solicitation of alternative proposals will not be in the fire district's best interests and should describe procedures for maintaining adequate documentation to support and verify actions taken. According to the District's procurement policy, all goods and services will be secured by use of written RFP, written quotations, or other method to ensure goods were purchased at the lowest responsible price and to avoid favoritism. However, the District's procurement policy indicates that seeking alternative proposals or quotations for certain professional services may not always be in the best interests of the District, and competition may not always be necessary when awarding professional service contracts. Instead, the District's procurement policy indicates that the Board reserves the right to obtain proposals for professional services to help ensure the District is obtaining fair market price for such services. Nonetheless, as a best practice, it is our view that the Board should seek competition, such as issuing an RFP, before awarding professional service contracts. The Policy also requires that all professional services are based upon a written contract or retainer agreement.

Pursuant to Town Law Section 181-b and the District's procurement policy, the District is further required to use a competitive RFP process when contracting for the District's annual audit and that no audit engagement shall be for a term longer than five consecutive years.

Finally, fire districts are charged with managing district resources efficiently and effectively to provide accountability for tax dollars spent to support its activities. As such, as a best practice, District officials should consider adopting a food and refreshments policy to set guidelines on such purchases.

Additional Resources

OSC *Local Government Management Guides* and other informational resources that are available on our website to help officials understand and perform their responsibilities include:

- *Seeking Competition in Procurement*: https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf
- *Fiscal Oversight Responsibilities of the Governing Board*: https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf
- *Improving the Effectiveness of Your Claims Auditing Process:* https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.pdf
- *"Piggybacking" Law: Exception to Competitive Bidding*: https://www.osc.ny.gov/files/local-government/publications/pdf/piggybacking-law.pdf

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

Appendix B: Response From District Officials

The content below is a reproduced copy of the original response letter issued by District officials and is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[1] and may have included changes to spelling and grammar. The substance of the content was not changed.

Lake Mohegan Fire District

June 24, 2026

James L. Latainer
Chief of Municipal Audits Office of the State Comptroller
Division of Local Government and School Accountability
33 Airport Center Drive, Suite 102
New Windsor, NY 12553

Re: Response to Preliminary Audit Findings - Lake Mohegan Fire District Procurement Audit

Dear Mr. Latainer:

The Board of Fire Commissioners of the Lake Mohegan Fire District appreciates the professionalism and cooperation of the Office of the State Comptroller staff throughout the audit process. We have carefully reviewed the preliminary findings and recommendations and offer the following response.

The Board agrees that procurement documentation and procedures can be strengthened and appreciates the guidance provided by the audit team. At no time did the Board or District officials intentionally seek to avoid competition or procurement requirements. Rather, many of the findings relate to documentation deficiencies, differing interpretations of procurement requirements, current economic/timing issues and longstanding purchasing practices that the Board believed were permissible and in the best interests of District taxpayers.

Two Pumper Purchases

The District's purchase of the two pumper trucks through [redacted], a Group Purchasing Organization (GPO), was undertaken with the belief that the procurement qualified under the General Municipal Law piggybacking provisions. The District relied upon information provided by the vendor, historical purchases and the purchasing cooperative indicating that the contract was competitively awarded and available for governmental use.

The Board's primary objective was to obtain apparatus meeting operational requirements while minimizing costs and reducing delivery times during a period when fire apparatus lead times had increased dramatically nationwide. The District believed that utilizing the cooperative purchasing contract provided significant value to taxpayers and allowed the District to lock in pricing before additional industry-wide price increases occurred.

The District acknowledges the audit finding that documentation supporting compliance with all statutory prerequisites was not maintained in the procurement file. Going forward, the Board will consult with legal counsel prior to utilizing any piggybacking procurement method and will maintain written documentation demonstrating compliance with each statutory requirement.

The February 2023 pumper truck purchase involved an apparatus that became immediately available due to a cancelled order from a neighboring fire district. District officials believed this represented a unique opportunity to obtain a needed apparatus at a favorable price while avoiding an extended manufacturing timeline. The Board's intent was to replace aging equipment in a timely and cost- effective manner. While the Board believed

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[1] https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

the purchase was in the District's best interest, it acknowledges that the procurement should have been formally bid or otherwise documented in accordance with statutory requirements.

Aggregated Purchases

The Board acknowledges the finding regarding aggregation of similar purchases. Historically, purchases such as vehicle maintenance, uniforms, and software subscriptions were reviewed as individual transactions rather than aggregated annual expenditures. The Board now understands the requirement to consider cumulative purchases when determining competitive bidding thresholds.

To address this issue, the District will implement a procurement tracking process designed to Identify categories of purchases that may exceed statutory thresholds when aggregated over a 12-month period.

Professional Services and Insurance Coverage

The District has historically retained professional service providers based on specialized expertise, familiarity with District operations, reliability, responsiveness, and continuity of service. The Board believed these services were exempt from competitive procurement requirements under both General Municipal Law and the District's procurement policy.

The Board notes that the audit findings do not allege excessive costs or deficiencies in the services provided. [OSC Comment: See Appendix C, Note 1]. Rather, the findings focus on the absence of a formal competitive process and documentation. The Board appreciates the recommendation to periodically seek competition for professional services and insurance coverage as a best practice.

Going forward, the District will:

- Develop a schedule for periodic review and solicitation of professional service providers.
- Issue Requests for Proposals for audit services as required by Town Law.
- Review existing professional service arrangements to ensure appropriate contracts or retainer agreements are maintained.
- Periodically evaluate insurance brokers, their associated fees and benefit administrators through a competitive review process.

Purchases Requiring Quotes

The Board acknowledges that supporting documentation for certain purchases did not demonstrate compliance with the quote requirements established by the District's procurement policy.

In several instances, District officials obtained pricing information or utilized vendors with established knowledge of District facilities and equipment; however, documentation supporting those efforts was not consistently retained. In other cases, purchases involved emergency repairs or operational circumstances where officials believed immediate action was necessary.

The District recognizes that documentation is essential to demonstrate compliance with procurement requirements and to provide transparency for taxpayers. Accordingly, the District will strengthen its record keeping procedures and require procurement files to contain documentation of all required quotes, exceptions, approvals, and purchasing decisions.

Food and Refreshment Purchases

The Board notes that retirement celebrations referenced in the report were longstanding recognition events for members who completed significant service to the District. The District's practice was to permit retiring members to participate in selecting food service providers as part of those recognition events.

While the Board believed these expenditures served a legitimate District purpose, it acknowledges the recommendation to establish written guidelines. The Board will review and consider adoption of a formal policy governing food and refreshment expenditures to provide additional transparency and consistency.

Corrective Actions

The Board is committed to implementing the audit recommendations and strengthening procurement oversight. Specifically, the District will:

1. Review and update its procurement policy.
2. Provide procurement training to Commissioners, District officers, and staff involved in purchasing.
3. Require legal review of piggybacking procurements and other complex purchasing arrangements.
4. Implement procedures to monitor aggregated purchases.
5. Maintain procurement files documenting quotes, bids, RFPs, contracts, and purchasing decisions.
6. Establish a schedule for periodic competitive review of professional services and insurance providers.
7. Issue an RFP for annual audit services in compliance with Town Law requirements.
8. Develop policies addressing food and refreshment expenditures.

The Board appreciates the recommendations provided by the Office of the State Comptroller and views this audit as an opportunity to improve District procurement practices. The Board remains committed to transparency, accountability, and the prudent stewardship of taxpayer resources.

Respectfully submitted,

Chairperson
Board of Fire Commissioners Lake Mohegan Fire District
On behalf of the Board of Fire Commissioners

Appendix C: OSC's Comment on the District's Response

Note 1

The objective of the audit focused on determining whether the Board used a competitive process to procure goods and services. The audit team did not test for excessive costs or deficiencies in services provided. See Appendix D for detailed audit methodology.

Appendix D: 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 Board Commissioners, the Chief and the Treasurer/Secretary to gain an understanding of the procurement process.

- We reviewed District policies and procedures and Board meeting minutes to gain an understanding of and evaluate the adequacy of the District's policies and procedures and actions taken by the Board.

- We reviewed the disbursement data and corresponding vouchers and identified 112 purchases totaling approximately $6.2 million that the District's procurement policy required use of a competitive procurement process. We selected all 22 purchases totaling $5.2 million subject to competitive bidding for our testing. We reviewed bid documents, contracts and other supporting documentation to determine whether District officials sought bids or properly used GML piggybacking exception to the bidding requirements.

- We reviewed the supporting documentation for the 19 payments totaling $582,686 to seven professional services and five insurance providers to determine whether District officials issued RFPs when procuring professional services. We also reviewed documentation to determine whether the District complied with Town Law and issued an RFP for audit services every five years.

- We reviewed cash disbursement data for our audit period and identified 71 payments totaling $434,462, each having a purchase price of $2,000 or more requiring quotes per the District's procurement policy. We used our professional judgement to select a sample of 25 percent or 18 purchases based on materiality, totaling $132,776, that were not subject to RFP or competitive bidding requirements. We then determined whether District officials obtained verbal or written quotes for each threshold as required by the procurement policy. If quotes were not obtained, we determined whether state contracts or other acceptable exceptions were used.

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.

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.

Questions?

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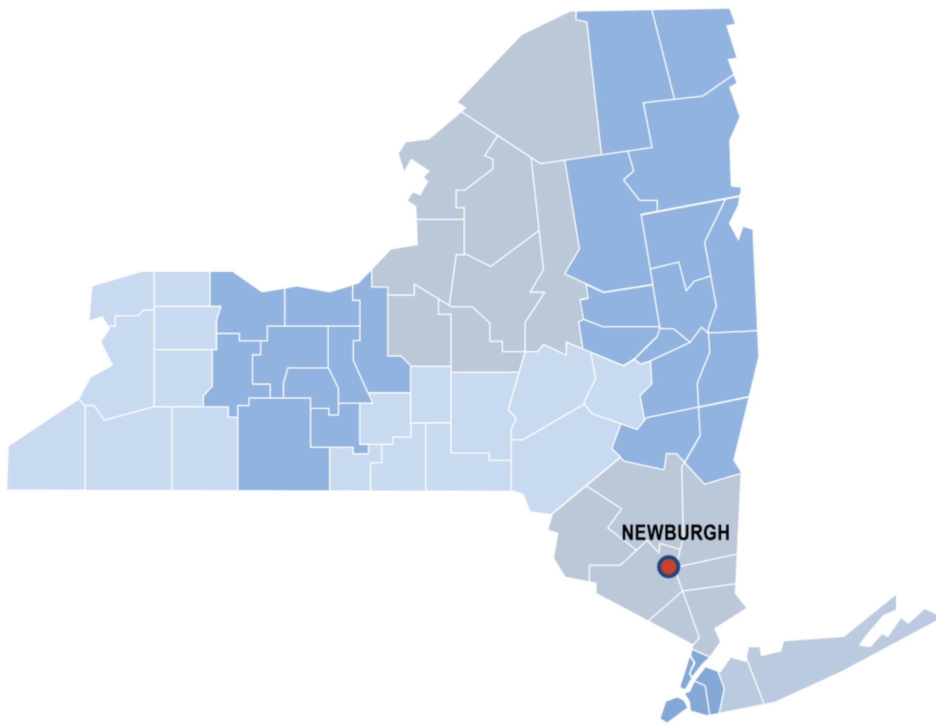

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