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May 2026

Michael Andrus, Chairperson
Members of the Board of Fire Commissioners
South Butler Fire District
13048 South Butler Road
South Butler, NY 13154

Report Number: 2020M-155-F

Dear Chairperson Andrus and Members of the Board of Fire Commissioners:

One of the Office of the State Comptroller's (OSC) primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and to account for and protect their fire district's assets.

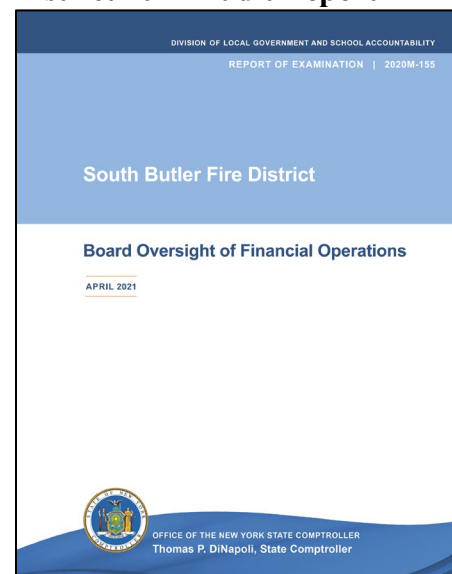
In accordance with these objectives, we conducted an audit of the South Butler Fire District (District) to determine whether the Board of Fire Commissioners (Board) provided adequate oversight of the District's financial operations. The Board consists of five members (Commissioners) including one who serves as the Chairperson.

As a result of our audit, we issued a report, dated April 2021, identifying certain conditions and opportunities for the Board's review and consideration (Figure 1). In response to the audit, District officials filed a corrective action plan (CAP) with our Office in April 2021. The CAP identified the actions the Board planned to take to implement the audit recommendations.

To further our policy of providing assistance to local governments, we revisited the District on November 3, 2025. Our follow-up review was limited to interviews with Commissioners and the District's Treasurer (Treasurer), inspection of certain documents related to the issues identified in our report and a review of the District's CAP.¹

¹See Appendix A for the District's CAP to the OSC audit report.

Figure 1: South Butler Fire District 2021 Audit Report



<https://www.osc.ny.gov/files/local-government/audits/2021/pdf/south-butler-fire-district-2020-155.pdf>

Based on our limited procedures, the District implemented five recommendations, partially implemented one, and did not implement eight. Until all recommendations are implemented, the Board cannot ensure District assets are fully safeguarded.

Recommendation 1 – Financial Policies and Procedures

The Board should adopt, implement and enforce policies and procedures that establish and segregate financial duties or provide for additional oversight measures over key financial areas such as receipts and deposits, disbursements, claims audit and approval, financial records and reports, budgeting and online banking.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP indicated that the Board did not intend to implement the recommendation.

Observations/Findings: We determined that the Board did not adopt policies or procedures to segregate financial duties or provide oversight measures over key financial areas such as receipts and deposits, disbursements, claims audit and approval, financial records and reports, budgeting and online banking. The Chairperson and another Commissioner told us that the Board was aware of the recommendation but did not implement it because of subsequent personnel turnover. However, four of the five current Commissioners have served continuously on the Board since we issued our report in April 2021. In addition, the Treasurer at the time we issued our report was employed by the District through December 2024. Therefore, turnover in the Board was limited, and there was adequate time for the Board and District officials to implement the recommendation.

Without policies and procedures that segregate incompatible financial duties or provide for additional oversight measures, there is an increased likelihood of errors and irregularities occurring and going undetected and that the Treasurer’s records may not be accurate and up to date.

Recommendation 2 – Procurement Policy

The Board should amend and clarify, and enforce the provisions of the procurement policy to ensure statutory compliance and adequate documentation and approval of efforts to make purchases in the most cost-effective manner.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*The South Butler District Procurement Policy was reviewed and revised in May 2020, finalized in July 2020. Clear and concise procedures cover requests to purchase, approvals, funding specifics, ordering, receiving and emergency purchases. This document will be reviewed annually to ensure compliance and to implement any changes needed.*”

Observations/Findings: The Board’s amended procurement policy includes procedures for procuring professional services, using sole-source providers and for retaining supporting documentation for purchases. We reviewed payment for claims made in April and September 2025 consisting of 19 purchases totaling \$113,614 to determine whether any purchases required competition when procuring goods or services as required by statute² or by the District’s procurement policy. We determined one purchase totaling \$93,330 required competitive bidding and one purchase totaling \$7,311 required two written or emailed quotes. Both purchases had adequate documentation and approval of procurement efforts, supporting that the purchases complied with statute and the procurement policy.

Recommendation 3 – Banking Service Agreement

The Board should execute a banking services agreement with the District’s banking institution to clearly establish responsibilities and expectations, including arrangements to receive and retain canceled check images for District records in compliance with records retention requirements.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP indicated that the Board did not intend to implement the recommendation.

Observations/Findings: The Chairperson and a Commissioner told us that the Board was not willing to pay the bank fee for canceled check images with the statements and it did not instruct the Treasurer to download and print the check images through the online banking system because the Board did not believe this was a necessary procedure. The Chairperson told us that he plans to bring his laptop to Board meetings for the Commissioners to view the canceled check images online. However, this does not meet the New York State (NYS) minimum six-year records retention requirement.³

During our review, we recommended to officials that someone download and print the canceled check images and retain them with the monthly packet provided to the Board for its review. If the Board is unwilling to take steps to access canceled check images for review, its ability to provide effective oversight and ensure proper disbursement of District funds is significantly limited. Furthermore, District officials are not in compliance with NYS record retention laws.

Recommendation 4 – Review Financial Activity

The Board should review monthly bank statements, canceled check images and reconciliations to ensure all financial activity is appropriate and accurately recorded.

Status of Corrective Action: Not Implemented

² GML Section 103 requires competitive bids for purchase contracts exceeding \$20,000 and public works contracts exceeding \$35,000. However, the board of fire commissioners may choose to be more restrictive and set lower thresholds.

³ Pursuant to the Retention and Disposition Schedule for New York Local Government Records (LGS-1), issued pursuant to Article 57-A of the Arts and Cultural Affairs Law, containing legal minimum retention periods for local government records.

Corrective Action Plan: The District’s CAP stated: *“Monthly bank statements, to include reconciliations, will be reviewed by Commissioners and initialed as noted in monthly District meeting minutes dated 12 January 2021.”*

Observations/Findings: We reviewed the Treasurer’s monthly financial reports to the Board from January 2025 through September 2025. Although the Treasurer provided the bank statements to the Board at its monthly meetings, the bank statements did not include canceled check images (see Recommendation 3), and the Treasurer did not perform formal bank reconciliations. The Treasurer’s reports included bank balances and a list of outstanding checks which the Treasurer told us she thought was a sufficient substitute for a formal bank reconciliation. The Chairperson told us that he reviewed the bank statements at the monthly Board meetings and that they were available for the other Commissioners’ review. However, there was no indication, such as initials on the bank statements, that anyone reviewed them. Without canceled check images or formal bank reconciliations that compare the accounting record cash balances to bank balances and include all reconciling items with explanations, the Board is unable to conduct a thorough review of the District’s banking activity.

By not ensuring it thoroughly reviews the monthly bank statements, and is provided with and reviews canceled check images and formal bank reconciliations, the Board is not performing its oversight duties effectively and cannot ensure all financial activity is appropriate and accurately recorded.

Recommendation 5 – Budgets and Statutory Spending Limit Calculations

The Board should adopt structurally balanced budgets that include all anticipated revenues and expenditures and estimated fund balance and correctly calculate the statutory spending limitation.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District’s CAP stated: *“Above recommendation will be adopted for 2022 budget. The Secretary-Treasurer will complete required paperwork and pass it through OSC for review prior to submission.”*

Observations/Findings: We reviewed the District’s 2025 and 2026 fiscal years’ adopted budgets and determined that they were and are structurally balanced and included all anticipated revenues, including routinely received revenue such as cellular tower lease and hall rental fees and anticipated expenditures. However, neither budget included estimated year-end fund balance, and the 2026 budget’s statutory spending limit was incorrectly calculated.

The Chairperson and another Commissioner told us that the former Treasurer, who helped the Board put together the 2025 budget, resisted the Board’s efforts to change the budget process. However, they could not explain why the Board did not require the current Treasurer to provide the Board with an estimated fund balance for the 2026 budget. They also told us they were unaware that the current Treasurer calculated the statutory spending limitation incorrectly. However, it is the Board’s responsibility to ensure it adopts budgets that include estimated fund balance and correctly calculated statutory spending limits.

Without reviewing estimated fund balance during the budget process, the Board cannot effectively manage fund balance and plan for long-term needs. Furthermore, although we determined that the District's budgeted appropriations were within the statutory spending limitation, by not ensuring the Treasurer correctly calculates statutory spending limits the Board risks exceeding the limit without the required voter approval. We provided District officials with the OSC publication *Fire Districts: Accounting and Reporting Manual*⁴ as guidance when calculating the District's statutory spending limit.

Recommendation 6 – Fund Balance and Reserve Policies

The Board should develop and adopt financial plans and policies for the maintenance of a reasonable level of fund balance and reserves and to ensure proper authorization, documentation, and legal compliance for all funding and use of reserves. Use any excess funds to reduce real property tax levies in coming years or fund justified and properly established reserves in accordance with applicable statutory requirements and documented plans for their use.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District's CAP stated: "*Prior documentation (plans/procedures) could not be located regarding funding of reserve accounts. A new policy will be adopted to cover Capital Reserve and Repair Reserve accounts – this will be on-going with input and approval of the Commissioners.*" The CAP did not address the maintenance of a reasonable level of fund balance.

Observations/Findings: The Board did not develop and adopt financial plans and policies to maintain a reasonable level of fund balance and reserves. Total fund balance increased from \$235,517 (\$44,532 unrestricted and \$190,986 in reserves) at the end of fiscal year 2019 to \$314,113 (\$39,689 unrestricted and \$274,425 in reserves) at the end of fiscal year 2025. The Chairperson and another Commissioner were unable to explain why the District did not implement the recommendation. Although they told us that there was turnover in the Treasurer's position, this would not prevent the Board from fulfilling its oversight responsibilities. We directed the Commissioners to OSC publications to assist them with developing financial plans and policies, including the *Local Government Management Guide: The Practice of Internal Controls*.⁵

Without a policy defining reasonable levels of unrestricted fund balance or a documented plan to justify the need for and potential use of reserve funds, the Board cannot demonstrate that these balances are reasonable and demonstrate to taxpayers that the real property taxes are not greater than necessary to meet the District's needs.

4 Available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf>

5 Available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

Recommendation 7 – Claims Audit

The Board should audit and approve (by resolution) all claims prior to payment, ensuring that an itemized voucher is attached with supporting invoices, proper approvals noted, and documentation of applicable quotes, as well as supporting details and approvals documented in the Board minutes.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: *“During monthly District meetings, submission of estimates, bills (other than utility, sole source, or ‘emergency’ acquisitions) are reviewed and documented for payment by the commissioners. This information will be documented in monthly District meeting minutes. No invoice is paid until and unless approved by commissioners.”*

Observations/Findings: We reviewed 24 claims totaling \$18,865 paid in August through October 2025 and determined that all claims included an itemized voucher with sufficient supporting documentation, including applicable quotes, and were audited and approved by the Board prior to payment. The Board reviewed and approved the claims, and the Board members initialed each claim to document their approval. In addition, the approval of claims was recorded in the Board meeting minutes.

Recommendation 8 – 1099 Forms

The Board should require the Treasurer to issue 1099s⁶ to all applicable service providers each year.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP stated, *“Funds to service providers will be monitored as to amount paid per calendar year...”* and that *“Two categories (cleaning and snow shoveling), provided by individuals within the community will be held to under the limit of \$600.”*

Observations/Findings: The Board did not ensure the Treasurer issued 1099s to all applicable service providers each year. In tax year 2024, the District made payments to service providers for lawn mowing (\$3,000) and snow removal services (\$2,800) but did not issue 1099s.

The Chairperson and another Commissioner told us they were aware the Treasurer did not issue 1099s, but that it was because the former Treasurer abruptly resigned in December 2024. However, they could not explain why the former Treasurer did not issue the 1099s for the three tax years (2021 through 2023) between the time we issued our report and the former Treasurer’s resignation. The current Treasurer told us she was not aware she needed to issue 1099s for tax year 2024.

As we stated in our audit report, it is critical that the Board and Treasurer correctly determine whether the individuals providing services are employees or independent contractors and report wages in accordance with rules, regulations and the law.

⁶ A 1099 is an Internal Revenue Service (IRS) tax form.

Recommendation 9 – Annual Audit

The Board should conduct and document an annual audit of the Treasurer’s financial records and reports.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP stated: “*The District is currently addressing in house audit procedures. This is a work in progress.*”

Observations/Findings: The Board has not conducted an annual audit of the Treasurer’s financial records and reports for fiscal years 2021 through 2024. The Chairperson and another Commissioner told us that they were aware the Board should conduct an annual audit of the Treasurer's records and reports, but they were unaware of how to do so. However, they had no reasonable explanation for why they did not take steps to fulfill this critical oversight responsibility. During our follow-up review, we described the annual audit process and referred them to our publication *The Internal Audit Process For Fire Districts*⁷ to assist them with auditing the records for fiscal year 2025.

Auditing the Treasurer’s records and reports annually is an essential responsibility for a fire district board of commissioners, as generally, fire district treasurers perform most financial activities with little oversight. Without a regular audit of the Treasurer’s records and reports, there is an increased risk that errors or irregularities will go undetected, negatively impacting the District’s financial operations.

Recommendation 10 – Canceled Check Images

The Treasurer should make arrangements to receive and retain canceled check images for District records in compliance with records retention requirements.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP indicated that the Board did not intend to implement the recommendation.

Observations/Findings: Our audit determined that the Treasurer did not print canceled check images from the District’s online banking system to substantiate transactions, or meet the NYS minimum six years record retention requirement.⁸ As discussed in Recommendation 3, the Chairperson and a Commissioner told us the Board was unwilling to pay the bank fee to provide check images and it considered it unnecessary to require the Treasurer to download and print the check images. In addition, the current Treasurer told us she was unaware the check images were available online, as she does not use the online banking system to perform her duties. The Chairperson told us that he would bring his laptop to Board meetings for the other Commissioners to view the canceled check images. However, because this does not address the records retention

⁷ Available at: <https://www.osc.ny.gov/files/local-government/resources/pdf/internalauditprocess.pdf>

⁸ See Supra, footnote 3.

requirement, we recommended the Chairperson or Treasurer print the canceled check images and retain them with the monthly packet provided to the Board for review.

Without access to canceled check images for review, the Board's ability to provide effective oversight and ensure proper disbursement of District funds is significantly limited.

Recommendation 11 – Board Meeting Minutes

The Treasurer should maintain more detailed minutes to describe all Board actions, especially approvals of purchases, bid awards, reserve activity and all other financial matters.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District's CAP stated: *“An effort to record all board actions in a more detailed resolution is ongoing.”*

Observations/Findings: We reviewed the Board meeting minutes from January through September 2025 and determined the Treasurer documented Board actions in a sufficiently detailed manner, including financial matters such as the approval of purchases, quotes received and discussions and authorization of reserve activity.

Recommendation 12 – Claims Payment Timing

The Treasurer should pay all bills only after so ordered by Board resolution based on Board-audited itemized vouchers.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District's CAP stated: *“During monthly District meetings, submission of estimates, bills (other than utility, sole source, or ‘emergency’ acquisitions) are reviewed and documented for payment by the commissioners. This information will be documented in monthly District meeting minutes. No invoice is paid until and unless approved by commissioners.”*

Observations/Findings: We determined the Treasurer paid bills after itemized vouchers were audited by the Board and ordered by Board resolution. We reviewed 24 claims totaling \$18,865 paid in August through October 2025 and determined all claims had sufficient supporting documentation and were audited and approved by the Board prior to payment.

Recommendation 13 – Maintain Documentation

The Treasurer should maintain quotes, bids and supporting documentation for compliance with the procurement policy.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District’s CAP stated: “*Clear and concise procedures cover requests to purchase, approvals, funding specifics, ordering, receiving and emergency purchases. This document will be reviewed annually to ensure compliance and to implement any changes needed.*”

Observations/Findings: As discussed in Recommendation 2, we reviewed 19 purchases totaling \$113,614 in April and September 2025 to determine whether any purchases required competition when procuring goods or services as required by statute or by the District’s procurement policy. One purchase totaling \$93,330 required competitive bidding and one purchase totaling \$7,311 required two written or emailed quotes; both had supporting documentation that they complied with statute and the procurement policy.

Recommendation 14 – 1099 Forms

The Treasurer should issue IRS Form 1099s to each individual paid over \$600 for services in a calendar year.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP stated [the] “*Treasurer will monitor service providers yearly income and advise Board if an overage may occur.*”

Observations/Findings: As discussed in Recommendation 8, in tax year 2024, the District made payments for lawn mowing (\$3,000) and snow removal services (\$2,800) but the Treasurer did not issue 1099s to the providers. The current Treasurer told us she was not aware that she needed to issue 1099s, and the Chairperson and another Commissioner told us that although they were aware the 1099s were not issued, it was due to the former Treasurer’s abrupt resignation in December 2024.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements. For additional guidance, District officials should refer to OSC’s website, including the publications referenced in this review.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Nicole Tomsen, Chief of Municipal Audits of our Statewide Audit Unit, at (716) 847-3647.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

Appendix A – District’s CAP to the OSC Audit Report

South Butler Fire District
PO Box 26
South Butler, New York 13154

Commissioners: Wm J. Forjone, Chairperson
Georgianna Bartholomew
Wm VanDeLister
Michael Andrus
Victoria Rewa
Secretary/Treasurer: Bertha E. Twist

16 June 2021

RE: Corrective Action Plan (CAP) for Audit Report 2020M-155

Unit Name: South Butler Fire District
Audit Report Title: Board Oversight of Financial Operations
Audit Report Number: 2020M-155

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed. For recommendations where corrective action has not been taken or proposed, we have included responses/explanations.

Audit Recommendation: *1. Adopt, implement and enforce policies and procedures that establish and segregate financial duties or provide for additional oversight measures over key financial areas such as receipts and deposits, disbursements, claims audit and approval, financial records and reports, budgeting and on-line banking.*

Implementation Plan of Action(s): **The segregation of financial duties as noted by the auditor is not practical or efficient (*not to mention how confusing this could become!!!*) for the size of this office or the few times these transactions are made.**

- a. *Clearly demonstrate what actions have occurred or are planned OR*
- **A third person has been added to all accounts, specifically to sign checks (dual signatures required) when a check is written to one of the people authorized to sign checks. (*attachment 1*)**
- b. *Why actions are not being taken:*
- **There is rarely, if ever, cash dealt with**
 - **Deposits are checks which are traceable. (copies of these checks are retained by the treasurer)**
 - **On-line or in person transfers between accounts do not deal with cash; i.e. transfer from regular savings to checking to cover monthly written checks**
 - **At no time is cash withdrawn from any account. A letter is on file with the bank. (*attachment 1*)**

- Any activity within the accounts is reported monthly on the Treasurers report
- A second person verifies and initials the transfer/deposit of funds
- At no time are funds disbursed without authorization; on unapproved claims; or without a mandatory second signature on a check
- In addition, the fire department was audited at the same time. They handle cash all the time. Segregation of duties was never brought up or mentioned in their audit. Clearly, direct retribution on the District Treasurer

Audit Recommendation: 2. Amend and clarify, and enforce the provisions of, the procurement policy to ensure statutory compliance and adequate documentation and approval of efforts to make purchases in the most cost-effective manner.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- Clearly demonstrate what actions have occurred or are planned
 - The South Butler District Procurement Policy was reviewed and revised in May 2020; finalized in July 2020
 - Clear and concise procedures cover requests to purchase, approvals, funding specifics, ordering, receiving and emergency purchases
 - This document will be reviewed annually to ensure compliance and to implement any changes needed
- Why actions are not being taken: **N/A**
- Implementation Date: **28 July 2020**
- Indicate who is responsible for the actions. Signed: Name Date [Title]: **Approved by order of the Board of Fire Commissioners, signed and dated by Alan Keebler, Chairperson, 28 July 2020**

Audit Recommendation: 3. Execute a banking services agreement with the District's banking institution to clearly establish responsibilities and expectations, including arrangements to receive and retain canceled check images for District records in compliance with records retention requirements.

Implementation Plan of Action(s): None

- Clearly demonstrate what actions have occurred or are planned: **The District wrote a letter to the bank requesting copies of checks with each statement. The bank did not respond, we called them; they stated it was not their policy to provide checks each month. Two open possibilities were mentioned (1) if a copy of a couple checks were needed for a specific reason or (2) we could pay to have this service provided (attachment 2)**
- Why actions are not being taken:
 - Additional needless expense incurred
 - When bills/requests/invoices for payment are received, each one is noted with check number, date paid, and payment amount (all this information is also documented on a spreadsheet)

- Commissioners review each invoice and initial at monthly board meetings

Audit Recommendation: 4. Review monthly bank statements, canceled check images and reconciliations to ensure all financial activity is appropriate and accurately recorded.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- Clearly demonstrate what actions have occurred or are planned:
 - **Monthly bank statements, to include reconciliations, will be reviewed by Commissioners and initialed as noted in monthly District meeting minutes dated 12 January 2021**
- Why actions are not being taken. **Canceled check images will not be provided by the bank**

Audit Recommendation: 5. Adopt structurally balanced budgets that include all anticipated revenues and expenditures and estimated fund balance, and correctly calculate the statutory spending limitation.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- Clearly demonstrate what actions have occurred or are planned: **Above recommendation will be adopted for 2022 budget. The Sec/Treas will complete required paperwork and pass it through OSC for review prior to submission**
- Why actions are not being taken. **N/A**
- Implementation Date:* Provide the actual or planned implementation date of Person Responsible for Implementation: **2021 budget timeframe for next year's budget**
- Indicate who is responsible for the actions. Signed: Name Date [Title]: **Secretary/Treasurer, Bertha E. Twist, June/July timeframe**

Audit Recommendation: 6. Develop and adopt financial plans and policies for the maintenance of a reasonable level of fund balance and reserves and to ensure proper authorization, documentation, and legal compliance for all funding and use of reserves. Use any excess funds to reduce real property tax levies in coming years or fund justified and properly established reserves in accordance with applicable statutory requirements and documented plans for their use.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- Clearly demonstrate what actions have occurred or are planned: **Prior documentation (plans/procedures) could not be located regarding funding of reserve accounts. A new policy will be adopted to cover Capital Reserve and Repair Reserve accounts – this will be on-going with input and approval of the Commissioners**
- Why actions are not being taken. **N/A**
- Implementation Date:* Provide the actual or planned implementation date of Person Responsible for Implementation: **To be drafted prior to 2022 budget finalization**

d. Indicate who is responsible for the actions. Signed: Name Date [Title]: **Board of Directors (timeframe as noted above)**

Audit Recommendation: 7. Audit and approve (by resolution) all claims prior to payment ensuring that an itemized voucher is attached with supporting invoices, proper approvals noted, and documentation of applicable quotes, as well as supporting details and approvals documented in the Board minutes.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- a. Clearly demonstrate what actions have occurred or are planned
- **Additional review will be conducted, by either the Chief or Assistant Chief, of each document/voucher pertaining to inspection, maintenance, upgrades to equipment, and fire department equipment purchased and will be initialed as accepted for payment.**
 - **Also Addressed in Audit Recommendation 2 above**
- b. Why actions are not being taken. **N/A**

Audit Recommendation: 8. Require the Treasurer to issue 1099's to all applicable service providers each year.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

- a. Clearly demonstrate what actions have occurred or are planned
- **Funds to service providers will be monitored as to amount paid per calendar year**
 - **Two categories (cleaning and snow shoveling), provided by individuals within the community will be held to under the limit of \$600. yearly**
 - **District Treasurer's yearly pay was cut to \$500. yearly**
 - **All other services are completed by business-oriented companies who are provided tax exempt forms and who *assumedly* report income through their business**

b. Why actions are not being taken. **N/A**

c. Implementation Date: Provide the actual or planned implementation date of Person Responsible for Implementation: **Motion made and approved to decrease Treasurers pay on 12 January 2021 by Board of Directors**

d. Indicate who is responsible for the actions. **Treasurer will monitor service providers yearly income and advise Board if an overage may occur**

Signed: Name Date [Title] **Board Meeting minutes dated 12 January 2021**

Audit Recommendation: 9. Conduct and document an annual audit of the Treasurer's financial records and reports.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

a. Clearly demonstrate what actions have occurred or are planned

The District is currently addressing in house audit procedures. This is a work in progress. (Per Fire District Accounting and Reporting Manual: "Fire districts or fire companies with annual revenues of less than \$300,000 may obtain independent audits, but are not required to do so.) South Butler Fire District encroached the \$300,000 mark (the last two years) and only when the revenue checks are received – this generally falls below the threshold within 2/3 months. If the revenues go over the threshold for an extended period, an outside audit will be sought

b. Why actions are not being taken. **N/A**

c. Implementation Date: Provide the actual or planned implementation date of Person Responsible for Implementation: **Board of Commissioners**

d. Indicate who is responsible for the actions. Signed: Name Date [Title]: **Board of Commissioners – internal audit to be completed after end of year close (within January/February timeframe)**

Audit Recommendation: 10. Make arrangements to receive and retain canceled check images for District records in compliance with records retention requirements.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to – **Addressed in Audit Recommendation 1 above**

Audit Recommendation: 11. Maintain more detailed minutes to describe all Board actions, especially approvals of purchases, bid awards, reserve activity and all other financial matters.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to –

a. Clearly demonstrate what actions have occurred or are planned:

- **An effort to record all board actions in a more detailed resolution is ongoing**
- **Procurement purchases (addressed in Procurement Policy) have been defined and followed as required**

b. Why actions are not being taken. **N/A**

c. Implementation Date: Provide the actual or planned implementation date of Person Responsible for Implementation:

d. Indicate who is responsible for the actions. Signed: Name Date [Title]

Audit Recommendation: 12. Pay all bills only after so ordered by Board resolution based on Board-audited itemized vouchers.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to — **Partially Addressed in Audit Recommendation 7 above**

a. Clearly demonstrate what actions have occurred or are planned:

- During monthly District meetings, submission of estimates, bills (other than utility, sole source, or 'emergency' acquisitions) are reviewed and documented for payment by the commissioners. This information will be documented in monthly District meeting minutes
- No invoice is paid until and unless approved by commissioners

b. Why actions are not being taken. **N/A**

Audit Recommendation: 13. Maintain quotes, bids and supporting documentation for compliance with the procurement policy.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to — **Addressed in Audit Recommendation 2 above**

Audit Recommendation: 14. Issue Form IRS Form 1099's to each individual paid over \$600 for services in a calendar year.

Implementation Plan of Action(s): The implementation plan should be in sufficient detail to — **Addressed in Audit Recommendation 8 above**