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February 6, 2015

Eric Conley, Fire Chief
West Seneca Fire District No.5
2829 Seneca Street
West Seneca, NY 14224

Report Number: S9-14-32

Dear Mr. Conley:

The Office of the State Comptroller works to help fire district officials improve their operations and provide guidance and services that will assist them in making those improvements. Our goals are to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and account for and protect their entity's assets.

In accordance with these goals, we conducted an audit of 10 fire districts and municipalities throughout New York State. The objective of our audit was to determine if fire districts and municipalities awarded length of service award program (LOSAP) credits accurately. We included the West Seneca Fire District No.5 (District) in this audit. Within the scope of this audit, we examined the District's LOSAP and supporting documentation and activities of eligible volunteer firefighters for the period January 1, 2012 through December 31, 2013.

This report of examination letter contains our findings and recommendations specific to the District. We discussed the findings and recommendations with District officials and considered their comments, which appear in Appendix A, in preparing this report. District officials generally agreed with our findings and recommendations and indicated they plan to initiate corrective action. At the completion of our audit of the 10 districts and municipalities, we prepared a global report that summarizes the significant issues we identified at all the units audited.

Summary of Findings

We found that the District did not ensure that volunteer firefighters received accurate LOSAP service credits. The District's point system does not comply with New York State General Municipal Law (GML) regarding how volunteer firefighters should receive points for participation in department responses. The District's point system provides 15

points for “fire calls” and 15 points for responding to “emergency medical service (EMS) calls.” GML, however, prescribes 25 points for each type of response when a volunteer firefighter meets a statutory minimum number of responses. Because of this discrepancy, volunteer firefighters were not credited with 10 additional points for each type of response category and, therefore, five volunteer firefighters did not receive one year of LOSAP service credit when, in fact, they would have earned enough points. District officials attributed these issues to being unaware that their point system was inconsistent with GML.

We also found that the District has not accurately recorded District response calls in the correct response category. While this did not adversely affect any volunteer firefighters in our scope period, it could in the future result in volunteer firefighters not earning appropriate credits for qualified activities.

Background and Methodology

The District is a district corporation and political subdivision of the State, distinct and separate from the Town of West Seneca and Erie County where it is located. The District provides fire protection and other emergency services in the Town of West Seneca. The District provides at least some of the other emergency services through an emergency rescue first aid squad, which does not operate an ambulance.¹ An elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for overseeing the District’s LOSAP.

The District’s 2013 budgeted appropriations totaled approximately \$718,000. As of December 31, 2012, the District’s LOSAP assets totaled approximately \$530,000. The District’s 2012 LOSAP contribution was approximately \$20,100.

When a fire district sponsors a LOSAP, district officials are required to establish a point system that complies with GML. GML establishes the activities that can be included in the point system. One such activity is participation in department responses. Other activities that can be included are training courses, stand-bys and sleep-ins, serving in an elected or appointed position, teaching fire prevention classes, attending certain meetings, drills and certain miscellaneous activities. Although a fire district can select which activities to include in its point system, in most instances GML specifies the number of points that can be granted each time an activity is performed and the maximum number of points that can be earned for performing each activity over the course of a year. However, a fire district is under no obligation to include in its point system every activity specified in GML.

Active volunteer firefighters earning 50 service award points annually must be credited with one “year of firefighting service” (LOSAP service credit). Points must be granted in

¹ District officials were unable to locate any documentation formally organizing the unit as an “emergency rescue first aid squad” under GML Section 209-b, and whether the district properly established such a squad is outside the scope of this audit. However, in view of the unit’s functions, we assume that it has been duly organized as an emergency rescue first aid squad for purposes of this report.

accordance with the point system established by the LOSAP sponsor. Annually,² each volunteer fire company is required to submit a list (certified under oath) to the fire district's governing board identifying all volunteer firefighters who earned at least 50 points during the preceding year. The governing board is required to review the list and approve the final annual certification, at which time each volunteer firefighter on the list must be awarded one year of LOSAP service credit.

In 1990, the District created a defined contribution LOSAP to facilitate recruitment and retention of active volunteer firefighters by providing them with a pension-like benefit based upon their years of firefighting service to the District. In general, upon reaching entitlement age of 60, participants in the District's LOSAP will receive a lump sum, life annuity or life annuity with survivor benefits. The contribution per participant was \$480 per year prior to 2006, and \$700 per year after. In 2013, the LOSAP had 36 participants receiving annual service credits.

We examined the District's internal controls over its LOSAP and reviewed records and reports for the period January 1, 2012 through December 31, 2013.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and conduct our audit to adequately assess those District operations within our audit scope. Further, those standards require that we understand the District's management controls and those laws, rules and regulations that are relevant to the District's operations included in our scope. An audit includes examining, on a test basis, evidence supporting records for LOSAP-eligible activities and applying such other auditing procedures we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for the findings, conclusions and recommendations contained in this report. More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

Audit Results

A fire district sponsoring a LOSAP is required to adopt standards and procedures in conformance with GML for administering its LOSAP. The governing board should ensure that complete and accurate records of volunteer firefighters' activities under the point system are prepared and maintained in accordance with its standards and procedures.

We reviewed the District's point system to determine which activities volunteer firefighters may perform to earn points toward LOSAP service credit and if the point system is in alignment with GML. The District's point system allows points to be earned for training courses, drills, sleep-ins or stand-bys, elected or appointed positions, meetings, participation in department responses (both fire calls and EMS calls) and miscellaneous activities. The point system defines points per activity and maximum points for certain types of activities.

² On or before March 31

We found that the District's point system is not consistent with GML for awarding points for participation in department responses, which resulted in five volunteer firefighters not receiving appropriate LOSAP service credit. We also found that the District did not ensure that department responses were accurately recorded. The remaining aspects of the point system for the District are consistent with GML.

Department Responses – If a point system includes participating in department responses as an activity for which points may be earned, GML requires a fire district having an emergency rescue and first aid squad to grant 25 points to volunteer firefighters for responding to the minimum number of fire calls (i.e., all calls “other than emergency rescue and first aid squad calls [ambulance calls]”) and an additional 25 points for responding to the minimum number of EMS calls (i.e., “emergency rescue and first aid squad [ambulance]” calls). For either type of call, GML requires a volunteer firefighter to respond to a minimum number of calls and makes the minimum number of responses dependent on the number of calls the district's fire department responds to annually. For example, if a fire district responds annually to 500 or fewer fire calls, then a volunteer firefighter must respond to at least 10 percent of the fire calls to receive the points. Alternatively, if a fire district responds annually to between 500 and 1,000 fire calls, then a volunteer firefighter must respond to at least 7.5 percent of the fire calls to be granted 25 points. The same percentages apply to EMS calls.

Since the District responded to 154 and 202 fire calls in 2012 and 2013, respectively, a volunteer firefighter should have received 25 points for responding to 15 or more fire calls in 2012 and 25 points for responding to 20 or more fire calls in 2013. Similarly, because the District responded to 643 and 550 EMS calls in 2012 and 2013, respectively, a volunteer firefighter should have received 25 points for responding to 48 or more EMS calls in 2012 and 25 points for responding to 41 or more EMS calls in 2013.

We found that the District's point system is inconsistent with GML with respect to providing points for participating in department responses. The District's point system provides 15 points to volunteer firefighters who respond to 10 percent or more of the District's annual number of fire calls and 15 points to volunteer firefighters who respond to 10 percent or more of the District's annual EMS calls. Not only does the District's point system provide fewer points than required by GML, to earn those points a volunteer firefighter must respond to at least 10 percent of the District's annual EMS calls rather than the 7.5 percent of calls specified by GML given the District's EMS call volume.

Due to these inconsistencies with GML, we judgmentally selected 25 volunteer firefighters to determine whether the District awarded LOSAP service credit appropriately. We found that five volunteer firefighters did not receive one year of LOSAP credit during our scope period because the District's point system provided fewer points than mandated by GML.³ If the point system had provided 25 points for fire calls and 25 points for responding to EMS calls, these volunteer firefighters would have earned

³ We calculated the points the volunteer firefighters should have received per the District's point system or GML when the point system was not consistent with GML.

at least 50 points for the year and would have qualified for one year of LOSAP service credit.

District officials explained that they were unaware of the requirement to provide 25 points for both types of responses. The District chose to offer 15 points each for both fire calls and EMS calls so that volunteer firefighters also would need to attend non-incident-related events, such as drills and fire company meetings, in order to earn one year of LOSAP service credit. District officials further explained that the point system has not changed since the program was initiated in 1990.

When a LOSAP point system is inconsistent with GML, LOSAP service credit may not be awarded properly to volunteer firefighters.

Accuracy of Activity Records – Fire districts should ensure that the activities performed by their volunteer firefighters are accurately recorded.

We found that fire and EMS calls for the scope period were not accurately recorded. We reviewed response records for 2012 and 2013 to determine the number of calls that were fire-related and EMS-related for the volunteer firefighters receiving credit. We found that the total number of fire calls and EMS calls in 2012 and 2013 according to the District's software reports differed from the manual sign-in sheets supporting the number of fire and EMS calls. For 2012, the software reports showed the District responded to 235 fire calls and 565 EMS calls, while the sign-in sheets indicated 154 fire calls and 643 EMS calls. For 2013, the software reports showed the District responded to 230 fire calls and 521 EMS calls, while the sign-in sheets indicated there were 202 fire calls and 550 EMS calls. District officials attributed the differences to data entry errors.

While these discrepancies did not affect the points awarded to any of the individuals in our sample, the risk exists that volunteer firefighters may receive inappropriate point totals due to inconsistencies between the source documentation and the software system.

Recommendations

The Board should:

1. Amend the District's point system to ensure it is consistent with GML.
2. Accurately record department responses in the software system.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of the New York State 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. The Board should make the CAP available for public review in the Clerk's office.

We thank the officials and staff of the West Seneca Fire District for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

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



BOARD OF FIRE COMMISSIONERS

F I R E D I S T R I C T # 5

August 15, 2014

State of New York
Office of State Comptroller
Binghamton Regional Office
State Office Building, Room 1702
44 Hawley
Binghamton, New York 13901-4417

Attention: Ms. Ann Singer

RE: WEST SENECA FIRE DISTRICT #5 AUDIT LOSAP

Dear Ms. Singer:

The Board of Fire Commissioners for West Seneca Fire District #5 has completely reviewed the preliminary draft of the LOSAP audit and the comments of the exit discussion relating to your findings and conclusions.

The Board is in agreement as to your findings and conclusions.

It was indicated that the purpose of your pilot audit of 10 fire districts/department throughout New York State was to provide guidance and services that will assist districts/departments in making improvements to their programs. We welcome your guidance.

In our exit discussion, it was indicated that the State Comptroller's Office has not in the past taken an active roll in auditing LOSAP programs. The policies and procedures that our district has been using for qualification were established when the law went into effect in the early 1990's.

The criteria used by the district was based upon the misunderstanding that the district in fashioning its point system could limit the number of points that may be accumulated for those categories to less than the maximum set forth in the statute.

TOWN OF WEST SENECA, NEW YORK
2829 Seneca Street • West Seneca, New York • 14224-1847



The district also has a policy relating to probationary members which could have adversely affected them.

The results of the audit indicated no adverse consequences to our taxpayers.

The Board will have a work session and bring its point system into compliance with the GML and address methods to verify attendance and accurately record department responses.

Very truly yours,

WEST SENECA FIRE DISTRICT #5
BOARD OF COMMISSIONERS

Peter Spilsbury
Chairman

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To accomplish our objective, we interviewed District officials to gain a better understanding of the control environment at the District. Our steps included the following:

- We reviewed relevant documentation regarding the District's LOSAP, including policies and procedures, bylaws, Board minutes and other documents applicable to our audit objective.
- We tested the District's adopted point system in comparison to GML requirements.
- We compared the District's adopted point system to the District's software system maintained for LOSAP service credit and the reports from that software.
- We reviewed and compiled all attendance documentation for a sample of 25 volunteer firefighters at the District for 2012 and 2013.
- We tested the above documentation against the software reports and the District Board-certified list of volunteer firefighters receiving LOSAP service credit to determine if the volunteer firefighters were receiving LOSAP service credit accurately in accordance with the District's point system and GML.