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February 6, 2015

Richard Lutz, Chairman
Board of Fire Commissioners
Lake Ronkonkoma Fire District
177 Portion Road
Lake Ronkonkoma, NY 11779

Report Number: S9-14-37

Dear Mr. Lutz:

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 Lake Ronkonkoma Fire District (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 recommendation specific to the District. We discussed the findings and recommendation with District officials and considered their comments, which appear in Appendix A, in preparing this report. District officials agreed with our findings and recommendation and 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. Although the District's point system is in compliance with New York State General Municipal Law (GML), the District did not monitor the awarding of volunteer firefighters' points against the annual list of volunteer firefighters to be approved for LOSAP service credit. This weakness resulted in seven volunteer firefighters not receiving appropriate LOSAP service credit.

Background and Methodology

The District is a district corporation and political subdivision of the State, distinct and separate from the Town of Brookhaven and Suffolk County in which it is located. The District provides fire protection and other emergency services in the Town of Brookhaven. The District provides emergency rescue and first aid through an emergency rescue squad, which operates ambulance services.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 budget appropriations totaled approximately \$3.1 million. As of December 31, 2012, the District's LOSAP assets totaled approximately \$2.5 million. The District's cost for the 2012 LOSAP was approximately \$367,000.

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 a LOSAP point system. Such activities that can be included are participation in department responses, 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 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 benefit LOSAP to attract new volunteer firefighters and retain existing volunteer firefighters based upon their years of service to the District. In general, upon reaching entitlement age of 55, participants in the District's LOSAP will receive monthly payments for at least 10 years. Volunteer firefighters will collect \$20 per month for each year of service, up to 37 years, or \$740 in monthly payments. In 2012 and 2013, the LOSAP had 86 and 75 volunteer firefighters, respectively, receiving LOSAP service credit.

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.

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 function, we assume that it has been duly organized as an emergency rescue first aid squad for purposes of this report.

² On or before March 31

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 recommendation 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 participation in department responses, meetings, drills, training, sleep-ins and stand-bys, miscellaneous activities and elected positions. The point system defines points per activity and maximum points for certain types of activities.

We found that a lack of oversight over volunteer firefighters' points resulted in seven volunteer firefighters not receiving appropriate LOSAP service credit.

LOSAP Service Credit Accuracy – The District's point system requires that one year of LOSAP service credit shall be credited for each calendar year after establishment of the LOSAP in which an active volunteer firefighter accumulates at least 50 points.

Although we found that the District followed its point system in awarding points to volunteer firefighters, LOSAP service credit was not accurately awarded. We reviewed all volunteer firefighters' point totals from the District's point summary report against the list of volunteer firefighters approved by the District for LOSAP service credit for 2012 and 2013. We found seven volunteer firefighters who had earned more than 50 points but did not receive one year of LOSAP service credit. District officials explained that these errors in awarding LOSAP service credit were due to a lack of oversight in connection with the preparation of the lists submitted to the Board identifying all volunteer firefighters who earned at least 50 points.

When the District does not establish or enforce adequate standards and procedures for preparing lists of volunteer firefighters entitled to receive LOSAP service credit, volunteer firefighters may not receive LOSAP service credit to which they are entitled.

Recommendation

1. The Board should implement standards and procedures to ensure that LOSAP service credit is accurately awarded.

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 recommendation 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 Lake Ronkonkoma 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 page.

Lake Ronkonkoma Fire District

BOARD OF FIRE COMMISSIONERS

COMMISSIONERS
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To Whom It May Concern:

8/25/14

In response to the report from the state of New York, report number "S9-14-37", the Board of Fire Commissioners of the Lake Ronkonkoma Fire District has taken several steps to ensure the accuracy of the crediting of points for the Service Award program.

The report from the State noted that there were several members who had received more than 50 points, but were not given credit. All members were in the same entry class of 2012, and due to an oversight, were not put into the Service Award program upon completion of their first year. The members have all since been added, and years of service corrected. In order to avoid such errors in the future, it is now policy that new members get added to the census that gets submitted while they are still on probation. While they do not get a year of credit at that time, this ensures that their names will appear on the next census, which is the first year they are eligible for credit. It has also been added to our LOSAP procedures to cross reference the names on the census with the report provided from the Fire Department to ensure that both reports contain all the same names, and no one is missing.

Sincerely,

Paul Festa
District Secretary

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 credit and the reports from that software.
- We tested the controls in place over the finger scanning devices and the software system that creates the point reports to ensure their reliability. We also tested a sample of volunteer firefighters from 2012 and 2013 to determine if the training certificate documentation matched the points the volunteer firefighters were awarded.
- We tested the District's software reports of volunteer firefighters' points against the Board-certified list of volunteer firefighters receiving LOSAP service credit to determine if volunteer firefighters that have earned sufficient points were awarded the appropriate LOSAP service credit.