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February 6, 2015

John Messina, Chairman of the Board of Fire Commissioners
Maynard Fire District
9500 Maynard Drive
Marcy, NY 13403

Report Number: S9-14-40

Dear Mr. Messina:

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 Maynard 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 "year of firefighting service" credits (LOSAP service credits). The District's point system is inconsistent with New York State General Municipal Law (GML) because it allows volunteer firefighters to earn points for drills lasting only one hour, rather than a minimum of two hours as prescribed by GML. Further, the District's point system allows volunteer firefighters to earn points for participation in department responses on a

prorated basis, whereas GML requires 25 points to be awarded when the required minimum number of responses is met.

While these inconsistencies with GML did not affect the LOSAP service credit awarded to any volunteer firefighters in our scope period, the inconsistencies could, in the future, result in volunteer firefighters not earning 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 Marcy and Oneida County in which it is located. The District provides fire protection and other emergency services in the Town of Marcy. It appears that the District provides at least some 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 \$522,000. As of December 31, 2012, the District's LOSAP assets totaled approximately \$269,000. The District's contribution for the 2012 LOSAP was approximately \$34,000.

When a fire district sponsors a LOSAP, fire 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 categories of activities to include in its point system, GML specifies the number of points that can be granted each time an activity is performed and, in most instances, the maximum number of points that can be earned for performing each activity over the course of a year. However, fire districts are under no obligation to award points in every activity category specified in GML.

Active volunteer firefighters earning 50 service award points annually must be credited with one 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 2004, the District created a defined benefit LOSAP to provide both a reward for volunteer firefighters who gave their time to District activities and an incentive for new volunteer firefighters to join the District. In general, upon reaching entitlement age of 65, participants in the District's LOSAP receive a life annuity benefit guaranteed for at least

¹ Whether the District properly established the squad is outside the scope of this audit (see GML Section 209-b). However, for purposes of this report, we assume that the squad was duly organized.

² On or before March 31

10 years. The benefit is \$10 a month for each year of service up to 20 years. In 2013, the LOSAP had 29 volunteer firefighters 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 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 training courses, drills, parades, details, stand-bys, elected or appointed positions, meetings, participation in department responses, miscellaneous activities and teaching fire prevention classes. The point system defines points per activity and maximum points for certain types of activities.

We found that the District's point system is not consistent with GML for awarding points for participation in department responses. This inconsistency, however, did not cause any of the volunteer firefighters in our sample to receive inaccurate LOSAP service credit. We also found that the point system is inconsistent with GML with respect to awarding points for participating in drills. Because District records did not always indicate the duration of drills, we could not determine whether volunteer firefighters received appropriate points for participating in drills.

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 on 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. The same percentages apply to EMS calls.

We found that the manner in which the District's point system provides points for participation in department responses is inconsistent with GML. The District's point system provides a sliding scale for participation in department responses, which ranges from 25 points for responding to 10 percent of the Department's calls, to three points for responding to three percent of the calls. GML does not allow points to be awarded for participation in department responses on a prorated basis. District officials explained that they were unaware of the requirement to provide 25 points for participation in department responses.

Due to the District's point system improperly providing points on a prorated basis, we judgmentally selected 20 volunteer firefighters to determine whether the District awarded LOSAP service credit appropriately. We did not find any volunteer firefighters who received inaccurate LOSAP service credit during the scope period because of the way in which points were granted for participation in department responses.

Drills – If a point system includes participating in drills as an activity for which points may be earned, GML specifies that one point per drill, up to a maximum of 20 points, may be awarded, and the drills must be at least two hours in duration. We found that the District's point system provides volunteer firefighters with one point for each drill lasting at least one hour in duration, rather than two hours as required by GML. In this situation, points were being awarded for drills that did not meet the duration required by GML.

Due to this discrepancy between the District's point system and GML, we judgmentally selected 20 volunteer firefighters to determine whether the District awarded LOSAP service credits appropriately. We found that District records did not document the duration of drills. Therefore, we could not determine whether volunteer firefighters earned appropriate LOSAP service credit.

When a point system is inconsistent with GML, fire districts may not award service credits to volunteer firefighters accurately.

Recommendation

1. The Board should amend the District's point system to be consistent with GML.

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 Maynard 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.

MAYNARD FIRE DISTRICT

P. O. Box 377
Marcy, NY 13403
(315) 732-8181

September 3, 2014

Office of the State Comptroller
Binghamton Regional Office
Attn: Ms. Ann Singer
State Office Building, Suite 1702
44 Hawley Street
Binghamton, New York 13901-4417

Dear Ms. Singer:

As directed by [REDACTED], I am enclosing our Combined Response and Corrective Action Plan. This was a result on an audit of our LOSAP program recently conducted by [REDACTED] and his associates and the draft of same received on August 5, 2014.

This response and CAP was approved by action taken by the Board of Fire Commissioners of the Maynard Fire District at its regularly scheduled monthly meeting held on September 2, 2014.

Please feel free to contact me if there are any questions or if additional information is needed.

Sincerely,

John Messina, Chairman
Board of Fire Commissioners

Cc: [REDACTED]

MAYNARD FIRE DISTRICT

(315) 732-8181

P. O. Box 377
Marcy, NY 13403

www.maynardfire.org

AUDIT RESPONSE & CORRECTIVE ACTION PLAN

Report Number: S9-14-40

On August 5, 2014, the Board of Fire Commissioners of the Maynard Fire District, Marcy, New York received the draft report outlining the audit findings indicating that the District did not ensure that its volunteer firefighters received accurate LOSAP service credits. Two areas were being followed which are inconsistent with General Municipal Law:

- (a) The District was allowing points for drills/details lasting less than the prescribed minimum of two hours;
- (b) The District's point system allowed firefighters to earn points for participation in department emergency responses on a prorated basis.

We are in agreement with the above findings and have developed what we feel is a Corrective Action Plan which will address these two areas. This response will also serve as our CAP.

CORRECTIVE ACTION PLAN

Report Number S9-14-40

In addressing (a), the District will amend its points earned for drills and associated details to be awarded for those events lasting a minimum of two hours in duration. We will revise our point system description to accurately reflect this requirement.

In addressing (b), the District will no longer award a proration of the 25 points for emergency responses. Our point system description will require that a volunteer must answer a minimum of 10% of our yearly responses to be awarded the 25 points. We understand that this provision is for departments with 500 yearly calls or fewer. If we exceed the 500 calls, we *also understand* that the minimum will become 7.5%.

Since we are desirous of being in full compliance of General Municipal Law in the administration of our LOSAP program, the Board of Fire Commissioners will implement both of these steps immediately.

Approved by action of the Board of Fire Commissioners
September 2, 2014
John Messina, 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 point system in comparison to GML requirements.
- We compared the District's 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 20 volunteer firefighters at the District for 2012 and 2013.
- We tested the attendance documentation against the software reports and the District's 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.