



PRINCE WILLIAM COUNTY, VIRGINIA

Prince William County, Virginia

Internal Audit of Three Volunteer Fire & Rescue Companies:

- **Buckhall Volunteer Fire Department**
- **Dale City Volunteer Fire Department**
- **Evergreen Volunteer Fire Department**

Prepared By:
Internal Auditors
November 5, 2014



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November 5, 2014

The Audit Committee of
 Prince William County, Virginia
 1 County Complex Court
 Prince William, Virginia 22192

Pursuant to the approved internal audit plan for Prince William County, Virginia (“County” “PWC”), we hereby present the internal audit of three (3) Volunteer Fire & Rescue Companies. A summary of the results from the Internal Audit of each Volunteer Fire & Rescue Company (“Companies”, “Company”) was presented to the Prince William County Fire & Rescue Association (“FRA”) Executive Committee on November 5, 2014. We will be presenting this report to the Audit Committee of Prince William County at the next scheduled meeting on December 9, 2014. The Volunteer Fire & Rescue Companies selected for review are as follows:

- Buckhall Volunteer Fire Department – Station 16
- Dale City Volunteer Fire Department – Stations 10, 13, 18 and 20
- Evergreen Volunteer Fire Department – Station 15

Our report is organized in the following sections:

Executive Summary	This provides a summary of the issues related to our internal audit of the selected Volunteer Fire & Rescue Companies.
Background	This provides an overview of the Volunteer Fire & Rescue Companies’ organizational structure with the County.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach.
Issues Matrix	This section contains an overview of each Volunteer Fire & Rescue Company reviewed, any issues identified during our testing, recommended action and management response. Other matters noted during our procedures are also outlined within this section.

We would like to thank the various Volunteer Fire & Rescue Companies, the Prince William County Department of Fire & Rescue and all those involved in assisting our firm in connection with our review of the selected Volunteer Fire & Rescue Companies.

Respectfully Submitted,



INTERNAL AUDITORS

Executive Summary

We have worked closely with the 3 Companies, and it is our understanding, per their management responses, that they have already begun implementing procedures to remediate the issues and reduce the internal control risks noted within this report. We will conduct follow-up procedures during calendar year 2015, and will perform an internal audit of 3 additional companies as included in the Audit Plan approved by the Audit Committee for fiscal year 2015

The objective of our internal audit focused on reviewing the internal control environment of certain financial and operational processes of the 3 selected Volunteer Fire & Rescue Companies. This internal audit covered the following areas:

1. Board Governance – monitoring and oversight, including meeting minutes
2. Financial Operations (fire levy and non fire levy)
 - Cash Receipts and Disbursements
 - Revenues
 - Expenditures
 - Liabilities
 - Property Plant and Equipment
3. Compliance with County Contract, PWC Code Chapter 9.1, Fire & Rescue Association Policies and Procedures and Virginia Emergency Medical Services (“EMS”) Regulations
 - Incident Response and Reporting
 - Member Staffing
 - Member Screening
 - Member Training and Certification

We have provided current comparative financial and other data for each selected Company in their section of the report, which includes the following categories:

- Station Location(s)
- Membership
- Selected Financial Data
- Response Time
- Governing Board
- Company Administration
- Apparatus
- Comments - identification of any other significant data

Our approach consisted of gathering the data for the categories noted above from the County and the respective Companies. We collected data for periods ranging from fiscal years ended 2011-2015 to provide the opportunity for trend analysis for selected financial data and response times. The timing of testing for each of the 3 selected Companies was at their preference. During the course of our internal audit of the selected Companies, we obtained an understanding and reviewed the County’s current practices of monitoring, communication, etc. Our approach focused on determining whether proper controls exist and whether existing controls are appropriate for mitigating certain financial and operational inherent risks.

Executive Summary - continued

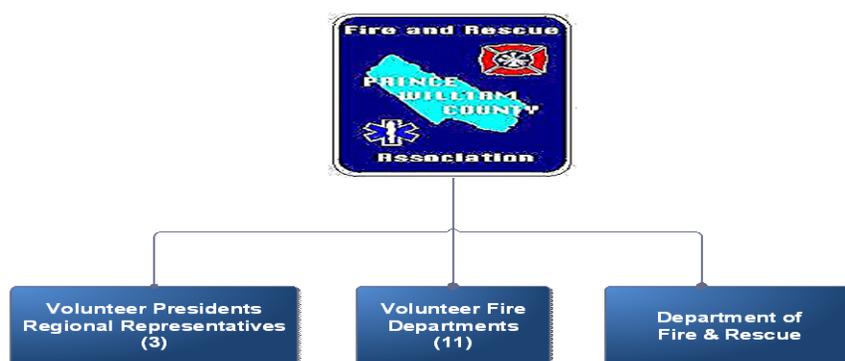
Organizational Structure and Relationship with the County

The Prince William County FRA is an organization that encompasses all of the volunteer fire and rescue companies operating in the County and the Prince William County Department of Fire & Rescue (“DFR”), and is charged with the overall governance and supervision of all fire and rescue services lawfully provided in the County. With the merger of the Coles Volunteer Fire Department into the DFR effective October 2014, there are ten (10) Volunteer Fire and Rescue Companies located within the County, each of which operates independently (but cooperatively) through an agreement with the BOCS.

Per County Ordinance Number 09-51 dated August 4, 2009, the County repealed the existing Chapter 9 and adopted PWC Code Chapter 9.1. PWC Code Chapter 9.1 reestablished the Prince William County Fire & Rescue Association to provide for the coordination and provision of reliable and high quality fire, rescue and emergency medical services by the combined personnel of the DFR, and the County’s volunteer companies. The FRA consists of the DFR and each volunteer fire, rescue or fire and rescue company, and is governed by a Board of Directors and an executive committee of the Board of Directors. Pursuant to PWC Code Chapter 9.1, the chairman of the FRA is the DFR Chief and the vice chairman is a chief of a Company that is elected by the FRA Board of Directors.

The Companies are each governed by an individual Board of Directors, and are managed and staffed primarily by volunteer and career firefighters assigned by the DFR as needed. Each Company has a volunteer Chief that is elected by the membership of the respective Company. This volunteer Chief and his/her line officers handle the daily operational tasks of the Company. Additionally, almost all Companies elect their administrative officers, including President, Vice President, Secretary, Treasurer and a Board of Directors. The President is responsible for handling administrative tasks of the Company as well as managing the not-for-profit activities of the department, such as fundraising. In 2009, each Company entered into an agreement with the BOCS in which the County agreed to allocate fire levy funds as outlined in Chapter 9.1 and the respective the Company agreed to remain in good standing with the FRA and implement, comply with, and be subject to all FRA policies and procedures, provisions with PWC Code Chapter 9.1 and other applicable County, State and Federal regulations. The County allocation of funds to the Company is contingent on compliance.

Prince William County Fire & Rescue Association



Executive Summary - continued

Funding Sources

County-wide Fire Levy

The County-wide fire levy was established in April 2001. Prior to this time, there were individual levies based on volunteer company first due boundaries. In December 2000, after the BOCS directed the FRA and DFR to conduct an analysis of the levy system and explore alternatives to individual rates, a Financial Analysis Task Group formed and conducted comprehensive review of alternatives and the BOCS adopted the recommended county-wide fire levy rate on April 17, 2001. The benefits of the County-wide fire levy are that it is a planned, stable funding source to finance and build new Fire and Rescue Stations identified in a station location plan, and it can fund system-wide initiatives, as well as provide stability for annual company operating budgets. The following table represents expenditures of the Companies and Programs as presented in the County's budget documents from FYs 2012 - 2015:

Expenditure by Company/Program	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
PWC Antioch*- Station 24	\$ 359,499	\$ 399,110	\$ 614,609	\$ 616,831
Buckhall- Station 16	758,304	1,161,763	806,440	697,975
Coles- Station 6	703,141	739,198	895,740	844,782
Dale City (Neabsco) - Stations 10, 13, 18, 20	2,969,613	3,522,081	3,756,026	3,728,842
Dumfries-Fire- Stations 3F, 17	1,464,184	1,645,627	1,671,144	1,533,644
Dumfries-Rescue- Stations 3R, 17	731,933	537,745	805,207	681,407
Evergreen- Station 15	1,020,473	586,656	708,091	620,072
PWC Gainesville*- Station 4	491,229	577,738	693,710	697,944
Lake Jackson- Station 7	780,740	892,097	851,595	763,675
Nokesville- Station 5, 25	1,382,044	1,345,839	1,777,727	1,621,057
Occoquan- Station 2, 12, 14	2,110,080	3,118,330	3,229,766	3,118,866
River Oaks- Station 23**	356,975	292,047	508,360	510,300
Stonewall Jackson- Station 11	660,383	1,187,296	886,872	928,492
Yorkshire- Station 8	566,079	670,411	701,504	703,606
Various Programs***	32,976,301	17,414,845	14,892,841	17,179,776
TOTAL - All Companies/Programs	\$ 47,330,978	\$ 34,090,783	\$ 32,799,632	\$ 34,247,269

* PWC Antioch – Station 24 – was combined with PWC Gainesville – Station 4 in FY 2011

** River Oaks- Station 23 – DTRS maintains the building and multiple apparatus, but the Station is manned 24/7 by the DFR career fighters.

***Various Programs – 800 MHz/MDT Technology Fund, county-wide Capital Fund, Levy Support to DFF, Line of Duty Death Act, FRA Board of Directors Set Aside and Apparatus Funds, FRA Membership Initiative and NFPA Medical.

The following represents current and previously adopted fire levy rates:

Fiscal Year	Levy Rate in Cents
FY 2013	7.44
FY 2014	7.27
FY 2015	7.07

Other Revenue Sources

The Companies can also derive funding from various fundraising activities such as bingo events, donations, state aide, and other activities.

The following section provides a summary of the Issues identified during our procedures. We have assigned relative risk factors to each Issue identified. A summary of issues identified and their relative risk rating is provided below. This is the evaluation of the severity of the concern and the potential impact on the operations. There are many areas of risk to consider including financial, operational, and/or compliance as well as public perception or 'brand' risk when determining the relative risk rating. Items are rated as High, Moderate, or Low.

- *High Risk Items* are considered to be of immediate concern and could cause significant operational issues if not addressed in a timely manner.
- *Moderate Risk Items* may also cause operational issues and do not require immediate attention, but should be addressed as soon as possible.
- *Low Risk Items* could escalate into operational issues, but can be addressed through the normal course of conducting business.

The details of these Issues are included within the Issues Matrix section of this report.

Issues	Risk Rating
Board Governance	
1. Board Governance:	High
<p>We noted areas of improvement regarding board governance and monitoring by the Governing Board of DTRS, such as, but not limited to:</p> <ul style="list-style-type: none"> • Per Article IX Duties of Treasurer Section 1. D of the BVFD By-Laws, the Treasurer shall give a monthly account at each regular membership meeting. Per review of the meeting minutes, the minutes did not indicate this process was being performed. We were provided a monthly financial report prepared by the Treasurer indicating cash balances for each account maintained by BVFD, however the minutes did not indicate or discuss any financial activity of BVFD. • Per Article VII Duties of the President Section 9 of the BVFD By-Laws states the President should present an annual report to the membership at the November regular membership meeting. We were not provided minutes for the month of November so we were unable to determine if this policy was being followed. • Per Article IX Duties of the Treasurer Section 1. E of the BVFD By-Laws states the Treasurer shall provide an annual report of the previous fiscal year no later than the October regular membership meeting. In the minutes provided there was no indication this update was being performed. • Per Article V Financial Management, Section 3 of the BVFD By-Laws indicates all expenditures in excess of \$1,000 shall be approved by the membership. In our testing of levy and non-levy funds 6 transactions that exceeded \$1,000. Based on the information provided we could not determine if these items had been approved by the membership. There was no indication in the meetings or on the invoices provided the membership had approved these transactions <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	
Financial Operations	
2. Bank Reconciliations, including Segregation of Duties	High
<p>During our review of procedures related to bank reconciliations we were unable to validate that the bank reconciliations are reviewed by the Treasurer on a monthly basis. We also noted the Bookkeeper or Treasurer receives the monthly bank statements opens and reviews the statement.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p>	

Issues	Risk Rating
Financial Operations - continued	
3. Financial Records and Reporting:	High
<p>We noted the following examples of incomplete and inaccurate financial records in Quickbooks:</p> <ul style="list-style-type: none"> • According to the monthly financial report prepared by the Treasurer and presented to the Board, the BVFD has an investment CD totaling approximately \$215,000. Per review of the trial balances and detailed ledgers provided there was no indication this CD has been reflected in the BVFD's accounting software QuickBooks. • Per the BVFD Form 990 for the fiscal year ending 2012, the Balance Sheet (Part X) of the 990 return indicated the BVFD had total assets including land, buildings and equipment totaling \$1,001,253. The trial balance provided by the Company indicated total assets of only \$100,000 for buildings, a difference of \$901,253. • Per the BVFD Form 990 for the fiscal year ending 2012, the Balance Sheet (Part X) of the 990 return indicated the BVFD has a note payable outstanding of \$84,691. The trial balances provided did not reflect any amounts regarding this liability. <p>Station management and the Board are hindered in their ability to properly monitor and make informed decisions on incomplete and inaccurate financial data. Incomplete and inaccurate financial data can cause delays in the identification of potential cash issues and / or irregularities and could result in overspending of the budget or misappropriation of funds.</p>	
4. Cash Disbursements	High
<p>During testing of cash disbursements, we noted the following.</p> <ul style="list-style-type: none"> • During our procedures related to cash disbursements over non-levy funds, it was noted the BVFD was paying expenses from two (2) different check registers. Checks were being issued from preprinted checks and a manual check register. By paying for expenses from the different check registers the BVFD risk the potential for items not being recorded timely or accurately in its financial records. • According to the By-Laws, Article IX Duties of the Treasurer Section 1. B of the BVFD By-Laws states the all disbursements are to be made by check, signed by the Treasurer and countersigned by the President or other designated individual. In our testing we noted 6 checks in our sample that included only one authorized signature. We also noted there numerous other checks only signed by one individual on the bank statements provided. • During our review of cash disbursements it was noted one check issued by BVFD (check # 5598) in the amount of \$29.25 did not include a payee. The payee line had been left blank. This check was also signed by only one individual. <p>Disbursements lacking proper supporting documentation and authorization could result in misappropriation and overspending of funds.</p> <ul style="list-style-type: none"> • It was also noted that during our testing on non-levy funds a check was issued to Total Wine was for the purchase of alcohol for the BVFD member dinner. This same expenditure also included a sales tax paid. <p>The Company is a structured not-for-profit entity and should not being paying sales tax on purchases. Payment of sales tax results in overspending of funds.</p>	
5. Asset and Property Control	High
<p>During inquiry of management, we noted that there is no system in place for booking and tracking inventory, supplies, and equipment and therefore assets are not appropriately safeguarded and accounted for. This includes both capital and non-capital assets.</p> <p>Safeguarding of assets is defined as "a process, affected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets..."</p>	

Issues	Risk Rating
Financial Operations - continued	
6. Policies and Procedures:	High
<p>It was noted the BVFD does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations	
7. Incident Reports:	High
<p>During our testing of incident reports, we noted that out of a sample of 20 responded incidents, 1 incident report was not filed until 2/18/2014 for an incident occurred on 2/16/2014 and there were no incident reports filed for 12 incidents.</p> <p>Failure to submit an incident report is a violation of Virginia EMS Regulations, the Code of Virginia, and FRA policy.</p>	
8. Background Screenings	Moderate
<p>Three (3) of 18 members eligible to provide EMS services did not fulfill the 60 day background check requirement per by Virginia EMS Regulations 12VAC5-31-540.</p> <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	
9. Medical Clearances:	High
<p>During our testing of volunteer members' medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • Seven (7) out of 25 volunteer members sampled did not have any record of an initial medical evaluation on file. • Six (6) out of 25 volunteer members sampled did not have a current medical evaluation done within the last year plus three month grace period. • Three (3) out of 25 volunteer members sampled had an expired fit test. • One (1) out of 25 volunteer members sampled did not have any record of a fit test on file. <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p>	
Certifications	No Rating
<p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we noted that 14 out of 25 members were missing 1 or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013. The relevant section of the Policy is given below.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	

Issues	Risk Rating
Board Governance	
1. Board Governance:	High
<p>We noted the following when reviewing governance and monitoring by the Governing Board of DCVFD:</p> <ul style="list-style-type: none"> Per Article Six, Checks, Deposits and Financial Records, Section 3. Financial Records of the DCVFD By-Laws, states the financial records of DCVFD shall be audited each year by an independent accounting firm. Per discussion with the Cheri Seiler, Office Administrator, the DCVFD has not had audit performed. The DCVFD financial statements were reviewed for fiscal year June 30, 2011. During our procedures performed it was noted the board minutes provided contained minimal information related to financial reporting. <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	
Financial Operations	
2. Bank Reconciliations	High
<p>During our review of the procedures related to bank reconciliations prepared by the DCVFD, we noted that complete and accurate bank reconciliations had been prepared by the Office Administrator. However, the bank reconciliation provided by the contained old outstanding checks dating back to April 2006. Total outstanding checks issued prior to fiscal year 2014 totaled \$101,419.11. Total outstanding deposits prior to fiscal year 2014 totaled \$45,644.70.</p> <p>It was noted the bank reconciliation was corrected and cleaned up by the third party outside accountant the DCVFD engages to prepare the DCVFD annual 990.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p>	
3. Cash Disbursements	Moderate
<p>During the course of our procedures related to expenditures it was noted the DCVFD incurred sales tax totaling \$1,427.87 related to costs incurred for the annual reception party for its members. The DCVFD is a structured not-for-profit entity and should not be paying sales tax on purchases. Payment of sales tax results in overspending of funds.</p>	
4. Employment Contracts	Moderate
<p>The Company has 5 non-volunteer paid employees (4 full-time and 1 part-time). During the procedures performed related to payroll of the DCVFD we noted the following.</p> <ul style="list-style-type: none"> The personal files maintained by the DCVFD did not include signed contracts for any of the 5 individuals employed by the DCVFD. It was also noted the personal files did not contain any documentation regarding the approved pay rate of the paid employees. <p>Lack of formal employment contracts can result in errors in payroll disbursements and also deprives the parties of a legal foundation upon which to base the employment.</p>	

Issues	Risk Rating
Financial Operations - continued	
5. Policies and Procedures:	High
<p>It was noted the DCVFD does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations	
6. Background Screenings:	High
<p>During our testing of background screenings, we noted the following:</p> <ul style="list-style-type: none"> • There was no evidence of performance of a DMV check and review for 1 member selected out of 25, and 2 DMV checks were performed at a time significantly after their hire dates. • For 3 member sampled, the DMV checks noted prior violations. The Company maintains that their Board considers the record in each individual case and also insurance guideline determines if that is a factor in hiring or not. It could not be determined if requirements of 9.1-16(d) were met or not. • There was no evidence of performance of a criminal check and review for 2 members sampled out of 25, and 3 criminal checks were performed at a time significantly after their hire dates. <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	
7. Medical Clearances:	High
<p>During our testing of volunteer members' medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • One out of 25 volunteer members sampled did not have a current medical evaluation done within the last year plus the three month grace period. • One out of 25 volunteer members sampled had an expired fit test. <p>We were unable to validate that the members was removed from operational status, once the medical clearances had expired.</p> <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p>	
Certifications	No Rating
<p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we observed that 5 out of 25 members sampled were missing one or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	

Issues	Risk Rating
Board Governance	
1. Board Governance:	High
<p>We noted the following when reviewing governance and monitoring by the Governing Board of EVFD&RS:</p> <ul style="list-style-type: none"> Per the Line Officer & Committees Duties & Responsibilities section of the EVFD&RS By-Laws states the Treasurer should prepare monthly balance sheets, budget analysis reports, prepare yearly budget development updates and ensure regular financial audits. We are uncertain as to the extent of the financial data provided to the Board members at the monthly meetings. Such data is not detailed in the meeting minutes nor were we provided with monthly budget to actual financial data that had been provided to the EVFD&RS Board. Per discussion with the Chief, neither non fire levy nor levy monthly budget to actual financial data is provided to the Board. Board meeting minutes from July 2013 to February 2014 do not indicate if the Board approved the prior meeting's minutes <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	
Financial Operations	
2. Bank Reconciliations	High
<p>During our review of procedures related to bank reconciliations we was noted the Company was monitoring it cash available for spending but it did not appear bank reconciliations were being prepared monthly.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p>	
3. Segregation of Duties	High
<p>During our testing of cash receipts, we noted that the Bookkeeper employed by the Company on a contract basis with a temp agency has the ability to perform many functions related to the processing and handling of cash receipts. It was noted this individual prepares the bank deposit ticket, makes the deposit with the bank and has access to the QuickBooks files maintained by the Company, which is a segregation of duties conflict.</p> <p>Without proper segregation of duties and controls surrounding cash, there is an increased likelihood of errors, misappropriation of funds or other types of irregularities to occur without being detected in a timely manner.</p>	
4. Financial Records and Reporting	High
<p>The Company has a capital lease for the purchase of a Pierce Dash Pumper Chassis and a 2006 Pierce Pumper. The Company entered into the lease on February 6, 2007. Annual installments of \$72,253.52 are due in February through 2017. The Company has not recorded a liability for the capital lease of equipment acquired by the Company.</p> <p>By failing to properly record the liability for the lease the Company has understated its liabilities. Company management and the Board are hindered in their ability to properly monitor and make informed decisions on incomplete financial data. Incomplete financial data will cause delays in the identification of potential cash issues and / or irregularities and could result in overspending of the budget or misappropriation of funds.</p>	

Issues	Risk Rating
Financial Operations - continued	
5. Bank Accounts:	High
<p>During or review of bank accounts maintained by the EVFD&RS it was noted EVFD&RS has 4 bank accounts with BB&T Bank, with a total balance of \$4,800 as of February 26, 2014. These accounts were established by the previous administration and current administration does not have access to these accounts.</p> <p>Failure to close these accounts could possibly lead to the theft or misappropriation of these assets.</p>	
6. Cash Disbursements	High
<p>During the course of our procedures related to expenditures it was noted on several occasions the Company reimbursed its members for items purchased on behalf of the Company. Included in the reimbursement were amounts for sales tax. The Company is structured 501(C) 3 (not-for-profit entity) and should not be paying sales tax on purchases.</p> <p>We also noted that EVFD&RS utilizes a manual process of cash disbursements.</p> <p>For the months of September 2013 and December 2013 we requested supporting documentation for the debit card transactions indicated on the monthly bank statements. We were not provided any support of these items.</p> <p>Failure to process transactions within QuickBooks could result in the possibility of financial data not being recorded or being recorded untimely.</p> <p>Disbursements lacking proper supporting documentation and authorization could result in misappropriation and overspending of funds.</p>	
7. Asset and Property Control	High
<p>During inquiry of management, we noted that there is no system in place for booking and tracking inventory, supplies, and equipment and therefore assets are not appropriately safeguarded and accounted for. This includes both capital and non-capital assets.</p> <p>Safeguarding of assets is defined as “a process, affected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity’s assets...”</p>	
8. Policies and Procedures:	High
<p>It was noted the Company does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations	
9. Incident Reports:	Moderate
<p>During our testing of incident reports, we noted that out of a sample of 20 responded incidents; 1 incident report was not filed until 5/22/2014 for an incident that occurred on 5/15/2014 and there was no incident report for an incident that occurred on 1/15/2014.</p> <p>Failure to submit an incident report is a violation of Virginia EMS Regulations, the Code of Virginia, and FRA policy.</p>	

Issues	Risk Rating
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations - continued	
10. Background Screenings:	High
<p>During our testing of background screenings, we noted the following:</p> <ul style="list-style-type: none"> • There was no evidence of performance of a DMV check and review for any of the 25 volunteers in the sample at the time of our testing as required by 9.1-16 (d). • The Company performed criminal checks for 8 of the 25 sample members. The criminal checks were performed during May 2014 and June 2014, not upon contract date. • Fifteen of 15 members eligible to provide EMS services did not pass the 60 day test required by Virginia EMS Regulations 12VAC5-31-540. <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	
11. Medical Clearances:	High
<p>During our testing of volunteer members' medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • Five out of 25 volunteer members sampled did not have any record of a medical evaluation on file. • One out of 25 volunteer members sampled had an expired fit test. • One out of 25 volunteer members sampled did not have any record of a fit test on file. <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p>	
Certifications	No Rating
<p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we observed that 9 of 25 members were missing 1 or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p>	

Background

Background

Organizational Structure and Relationship with the County

The Prince William County FRA is an organization that encompasses all of the volunteer fire and rescue companies operating in Prince William County and the Prince William County DFR, and is charged with the overall governance and supervision of all fire and rescue services lawfully provided in the County. With the merger of the Coles Volunteer Fire Department into the DFR effective October 2014, there are ten (10) Volunteer Fire & Rescue Companies located within Prince William County, each of which operates independently (but cooperatively) through an agreement with the BOCS.

Per County Ordinance Number 09-51 dated August 4, 2009, the County repealed the existing Chapter 9 and adopted PWC Code Chapter 9.1. PWC Code Chapter 9.1 reestablished the Prince William County Fire & Rescue Association to provide for the coordination and provision of reliable and high quality fire, rescue and emergency medical services by the combined personnel of the DFR, and the County's volunteer companies. The FRA consists of the DFR and each volunteer fire, rescue or fire and rescue company, and is governed by a Board of Directors and an executive committee of the Board of Directors. Pursuant to PWC Code Chapter 9.1, the chairman of the FRA is the Chief DFR and the vice chairman is a chief of a Company that is elected by the FRA Board of Directors.

The Companies are each governed by an individual Board of Directors, and are managed and staffed primarily by volunteer firefighters, with career firefighters assigned by the DFR as needed. Each Company has a volunteer Chief that is elected by the membership of the respective Company. This volunteer Chief and his/her line officers handle the daily operational tasks of the Company. Additionally, almost all Companies elect their administrative officers, including President, Vice President, Secretary, Treasurer and a Board of Directors. The President is responsible for handling administrative tasks of the Company as well as managing the not-for-profit activities of the department, such as fundraising. In 2009, each Company entered into an agreement with the BOCS in which the County agreed to allocate fire levy funds as outlined in Chapter 9.1 and the respective the Company agreed to remain in good standing with the FRA and implement, comply with, and be subject to all FRA policies and procedures, provisions with PWC Code Chapter 9.1 and other applicable County, State and Federal regulations. The County allocation of funds to the Company is contingent on compliance.

Prince William County Fire & Rescue Association



Background - continued

Funding Sources

The DFR is an agency of the Prince William county government that participates in the annual county-wide budget process which is coordinated through the Office of Executive Management (“OEM”) and Office of Management and Budget (“OMB”). As an agency, it participates in all exercises, initiatives and processes defined by OEM and OMB including Budget Congress. The DFR identifies critical unmet needs as part of the annual process. These critical unmet needs are communicated to other county agencies, the County Executive and BOCS members. The FRA is not involved in the mechanics of DFR participation as a county agency in the annual budget process. With regard to career staffing to address critical unmet system-wide needs, the DFR Chief communicates his and the DFR’s highest priorities, including staffing initiatives, to the FRA and asks the FRA to support the DFR’s annual staffing initiatives within the County’s established process.

The County-wide fire levy was established in April 2001. Prior to this time, there were individual levies based on volunteer company first due boundaries. In December 2000, after the BOCS directed the FRA and DFR to conduct an analysis of the levy system and explore alternatives to individual rates, a Financial Analysis Task Group was formed to conduct a comprehensive review of alternatives and the BOCS adopted the recommended county-wide fire levy rate on April 17, 2001. The benefits of the County-Wide fire levy are that it is a planned, stable funding source to finance and build new Fire and Rescue Stations identified in a station location plan, and it can fund system-wide initiatives, as well as provide stability for annual company operating budgets.

Prince William County Code Chapter 9.1 Sec 9.1-15 states that

“all member companies of the FRA shall comply with government services planning, budgeting and accountability and the principles of sound financial management as promulgated by the Director of Finance.”

In Section 9.1-9, the FRA Executive Committee is given authority to develop guidelines for the consistent preparation of budgets. DFR staff is tasked with ensuring adherence to financial regulations and County guidelines. The FRA Budget Task Group, which was established by the FRA Executive Committee, is tasked with recommending policy guidance to the FRA Executive Committee and developing any needed mechanics in developing budgets. Additionally, the FRA Budget Task Group reviews budget and carry over requests and makes recommendations on the funding of system-wide initiatives. Policy guidance rests with the FRA Executive Committee.

Each Company’s operating budget was “grand-fathered” at the time the county-wide fire levy was established, meaning that each Company’s expenditure budget stayed the same as it was. The annual budget process mirrors that of county government and can be summarized as follows:

- The various Companies’ base operating budgets for the next fiscal year are established at the same level as the current fiscal year adopted budgets.
- If the County deems it necessary to increase fuel and utility budgets based on industry and economic data, those line items are increased accordingly in Companies’ operating budgets (for example, if the fleet fuel budget gets a 3% increase, each Company’s operating budget fuel line item receives a 3% increase).
 - These budget increases, in accordance with county government increases, have been the only operating increases in several years since there has not been a process to allow for operating requests by companies due to system-wide needs (*explained below).

Background - continued

Fire Levy Funds and Budgeting – continued

- The fire levy funds system-wide expenses and initiatives listed below; these are funded at the appropriate annual level before any new items are funded.
 - Debt on prior capital projects
 - 800 MHz radio project, infrastructure and equipment, for all providers (career and volunteer)
 - Mobile Data Computers and EMS/Safety Pad project, infrastructure and equipment, for all providers (career and volunteer)
 - SCBA air pack replacement for all providers (career and volunteer)
 - System-wide annual medical physicals in accordance with PWC Code Chapter 9.1
 - System-wide Line of Duty Death Act funding requirement
 - System-wide equipment – annual maintenance/operations and future replacement, including: video-conferencing, hazmat monitors, Station Alerting, signal prioritization
 - Information Technology – funding for system-wide purchased computers and volunteer network log-ins, etc in accordance with PWC seat management practice and funding model
 - Fire levy support to previously funded DFR positions (as recommended by FRA and County Executive and adopted by BOCS in prior annual budgets)
 - Specialty piece apparatus

*After all existing financial commitments are funded, there is an indication if there is revenue capacity to fund any new initiatives. If this is the case, the Chair of the FRA and Chair of the FRA Budget Task Group engage in discussions and a process to identify fire and rescue system critical needs – which may be equipment, capital projects, and/or career staffing. The FRA and FRA Budget Task Group chairs make a recommendation on the entire fire levy budget, including consideration for new initiatives (if applicable) to the FRA Executive Committee and FRA Board of Directors for endorsement to send to the County Executive. The County Executive is the final decision-maker relative to priorities, career staffing and use of funding sources for fire and rescue critical unmet needs.

The following table represents expenditures of the Companies and Programs as presented in the County's budget documents from FYs 2012 - 2015:

Expenditure by Company/Program	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
PWC Antioch*- Station 24	\$ 359,499	\$ 399,110	\$ 614,609	\$ 616,831
Buckhall- Station 16	758,304	1,161,763	806,440	697,975
Coles- Station 6	703,141	739,198	895,740	844,782
Dale City (Neabsco) - Stations 10, 13, 18, 20	2,969,613	3,522,081	3,756,026	3,728,842
Dumfries-Fire- Stations 3F, 17	1,464,184	1,645,627	1,671,144	1,533,644
Dumfries-Rescue- Stations 3R, 17	731,933	537,745	805,207	681,407
Evergreen- Station 15	1,020,473	586,656	708,091	620,072
PWC Gainesville*- Station 4	491,229	577,738	693,710	697,944
Lake Jackson- Station 7	780,740	892,097	851,595	763,675
Nokesville- Station 5, 25	1,382,044	1,345,839	1,777,727	1,621,057
Occoquan- Station 2, 12, 14	2,110,080	3,118,330	3,229,766	3,118,866
River Oaks- Station 23**	356,975	292,047	508,360	510,300
Stonewall Jackson- Station 11	660,383	1,187,296	886,872	928,492
Yorkshire- Station 8	566,079	670,411	701,504	703,606
Various Programs***	32,976,301	17,414,845	14,892,841	17,179,776
TOTAL - All Companies/Programs	\$ 47,330,978	\$ 34,090,783	\$ 32,799,632	\$ 34,247,269

* PWC Antioch – Station 24 – combined with PWC Gainesville – Station 4 in FY 2011

** River Oaks- Station 23 – DTRS maintains the building and multiple apparatus, but the Station is staffed 24/7 by the DFR career fighters and medics. DTRS provides staffing for a basic medic.

***Various Programs – 800 MHz/MDT Technology Fund, county-wide Capital Fund, Levy Support to DFF, Line of Duty Death Act, FRA Board of Directors Set Aside and Apparatus Funds, FRA Membership Initiative and NFPA Medical.

Background - continued

Governance

The following represents excerpts from the various Virginia Code and County policies and procedures utilized during this internal audit.

Prince William County Code Chapter 9.1
Article 1 Section 9.1-4 - Duties and responsibilities of volunteer companies.
Volunteer companies shall operate in accordance with their own bylaws, FRA policies and procedures, county ordinances, directives of the board of county supervisors and contractual obligations.
Article I Section 9.1-12. - Audit policies.
(a) The executive committee and board of directors shall adopt policies and procedures regarding the conduct of financial, recordkeeping, and management audits by independent auditors, consistent with the provisions of this chapter, and the direction of the director of finance. Such policies and procedures shall, among other things, provide for audits of each FRA member not less often than once every three years.
(b) Without limitation as to the purposes thereof, audits shall be made of financial operations, staffing, station conditions, company compliance with internal bylaws, compliance with county fiscal policies and procedures, FRA policies and procedures, operational capabilities and any other matter that may be deemed necessary to the effectuation of the board of county supervisors' policy with respect to the provision of fire, rescue, and emergency medical services pursuant to this chapter.
(c) In order to assure that public monies are expended consistently with applicable county and FRA policies and procedures, the members of the FRA shall make their financial records open for review by authorized officials of the county upon reasonable notice thereof.
(d) Notwithstanding any other provision hereof, whenever the county executive determines that examination and inspection of all or any portion of the records of a member of the FRA related to the expenditure of general or fire levy funds is prudent or necessary, or that financial reviews or audits are necessary to protect the interest of the public, each shall permit the county executive to inspect their business records relating to fire levy funds at such reasonable times and under such reasonable circumstances as the county executive may direct. Volunteer companies shall make available all records related to fire levy funds and shall cooperate fully in all financial reviews or audits of the company's business or operational affairs ordered by the county executive pursuant to this subsection.
(e) Audits shall be conducted by independent auditors selected by the executive committee and shall include volunteer members of the FRA.
Article I Section 9.1-13. - Financial affairs and audit advisory committee
There shall be a financial affairs and audit advisory committee responsible to the board of directors, comprised of the presidents of each volunteer company, which shall advise the board as to the development of budgets, financial operations, and all audits authorized in accordance with this chapter. The board or the executive committee may request the said committee to provide it advice and recommendations on any other matter that it shall deem advisable.
Article I Section 9.1-16. - Physical examinations, criminal background checks, and department of motor vehicle checks
(b) Notwithstanding the provisions of subsection (a), above, every person providing fire and/or rescue response, whether paid or volunteer, who is in the service or entering the service of the county, or the service of a political subdivision or volunteer fire and/or rescue company with which the county has contracted for fire and/or rescue service shall receive a baseline medical examination in accordance with NFPA 1582, and, thereafter, an annual medical examination in accordance with NFPA 1582.
(d) All career and volunteer personnel in or entering fire and rescue services, or the service of a political subdivision with which it has contracted for fire protection, shall agree to consent to undergo a criminal background check and a department of motor vehicle check. The results thereof shall be submitted to the county or the member company for consideration upon application, or as soon as practicable upon request for current and active members.
FRA Policies and Procedures
FRA Policy 1.1.5 Section 4.4 states Operational Member Requirement
Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.

Background - continued

Governance – continued

<i>FRA Policies and Procedures</i>
<i>FRA Procedure 1.4.1 – Reporting Requirements for Fire-EMS Incidents</i>
<p>4.1 Each unit that is dispatched and responds or arrives at an incident is required to complete an incident report.</p> <p>4.1.1 An incident report (either RMS or PPCR) is required for all units on all incident types using approved Fire and Rescue Association reporting systems (RMS or SafetyPAD).</p> <p>4.1.2 An RMS incident report is required whenever a PPCR is inappropriate. This would include “fire” type incidents or where incident and unit actions are not patient-care related.</p> <p>4.2.2.1 SafetyPAD reports will be closed and sent to the server at the end of each incident.</p> <p>5.1 Units will complete their report(s) immediately following each fire or EMS incident, unless dispatched to another incident and in no case later than the end of the shift.</p>
<i>FRA Procedure 2.0.3 - Standards of Performance Response Time</i>
<p>The purpose of this policy is to establish response time standards for fire and rescue units operating within Prince William County. Standards of performance are based on the historical performance of emergency response within Prince William County.</p>
<i>FRA Procedure 3.3.3 – Use of Fire Levy for Volunteer Company Employees</i>
<p>4.1 The County deems it appropriate to use fire levy taxpayer funding for reasonable and customary administrative and technical support services provided by employees in performance of volunteer fire and rescue company operations. The support services provided should be administrative or technical in nature specific to emergency response and company operations and it is not viable to utilize an existing county contract or develop a contract for the provision of this type of service. Services not covered by this policy upon the development of fire and rescue system-wide contracts include: facility, equipment, or vehicle maintenance; landscaping or grounds maintenance; information technology support; training.</p> <p>4.6 Expenditures utilizing the volunteer employee subsidy must be for payments to employees providing support services to the company exclusively. This includes reasonable hourly pay and any reasonable benefits the company provides. This can also include administrative expenses associated with payroll processing or benefit administration utilizing a contractual vendor. These individuals must be employees of the fire and rescue company as defined by IRS regulations, with W-2 statements provided to each employee.</p>
<i>FRA Procedure 4.5.1 – Uniform Rank Structure</i>
<p>This policy establishes the minimum certification levels for fire and rescue personnel in Prince William County. Policy was implemented in November 2010 with a three-year time table for compliance by all members.</p>
<i>FRA Procedure 4.5.9 – Training Records and Internship Packets</i>
<p>This procedure establishes the process for forwarding, receiving, and storing various training records and internship packets.</p>
<i>FRA Procedure 4.8.3 – Medical Evaluation Program</i>
<p>1.1 The purpose of this procedure is to outline parameters of a medical evaluation program for active fire and rescue providers within Prince William County.</p> <p>4.2.1.1 Annual OSHA Medical Evaluation Questionnaire for members shall be completed in conjunction with the Annual Medical Evaluation during each Fiscal Year not to exceed the end of the Fiscal Year.</p> <p>4.2.3.1 Any member not receiving an annual OSHA Medical Evaluation Questionnaire, shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>4.4.2 A medical evaluation of a candidate shall be conducted prior to the candidate’s being placed in training programs or fire department operational activities.</p> <p>4.4.3.2 Each member shall have an annual medical evaluation every 12 months (plus or minus 3 months), not to exceed the end of the Fiscal Year.</p> <p>4.4.3.2.1 Any member not receiving an annual medical evaluation, shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p>
<i>FRA Procedure 9.1.2 – Respiratory Protection Program</i>
<p>1.1 The purpose of this procedure is to outline parameters of respiratory protection for the fire and rescue services within Prince William County.</p> <p>4.2.1 All new members shall pass a face piece fit test during initial training and annually thereafter, in accordance with the QNFT or QLFT fit test protocol contained in OSHA 29 CFR 1910.134.</p> <p>4.2.1.4 Annual Fit Testing for members shall be completed during each Fiscal Year not to exceed the end of the Fiscal Year.</p> <p>4.2.1.5 Any member not receiving an annual Fit Test shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p>

Background - continued

Governance – continued

Virginia Emergency Medical Services (EMS) Regulations
12VAC5-31-540 – Personnel records
<p>A. An EMS agency shall have a current personnel record for each individual affiliated with the EMS agency. Each file shall contain documentation of certification, training and qualifications for the positions held.</p> <p>B. An EMS agency shall have a record for each individual affiliated with the EMS agency documenting the results of a criminal history background check conducted through the Central Criminal Records Exchange and the National Crime Information Center via the Virginia State Police, a driving record transcript from the individual's state Department of Motor Vehicles office, and any documents required by the Code of Virginia, no more than 60 days prior to the individual's affiliation with the EMS agency.</p>
12VAC5-31-560 - Patient care records
<p>A. An original PPCR shall specifically identify by name the personnel who meet the staffing requirements of the EMS vehicle.</p> <p>B. The PPCR shall include the name and identification number of all EMS Personnel on the EMS vehicle and the signature of the attendant-in-charge.</p> <p>C. The required minimum data set shall be submitted on a schedule established by the Office of EMS as authorized in § 32.1-116.1 of the Code of Virginia. This requirement for data collection and submission shall not apply to patient care rendered during local emergencies declared by the locality's government and states of emergency declared by the Governor. During such an incident, an approved triage tag shall be used to document patient care provided unless a standard patient care report is completed.</p>
12VAC5-31-1230 - Ground ambulance staffing requirements
<p>A ground ambulance transport requires a minimum of two persons:</p> <ol style="list-style-type: none">1. An operator shall at a minimum possess a valid motor vehicle operator's permit issued by Virginia or another state and have successfully completed an approved Emergency Vehicle Operator's Course (EVOC) training course or an equivalent.2. An attendant-in-charge who must meet the requirements listed for the type of transport to be performed.

Background - continued

Governance – continued

The following listing represents various benefits available to volunteer firefighters in the State of Virginia:

Virginia Code § 27-41 Relief provided for
Financial relief shall be extended by the counties, cities and towns of Virginia to volunteer fire fighters who are killed or injured while engaged in fighting fire or while responding to an alarm or returning from the scene of a fire, such relief to be paid in amounts and manner as hereinafter set forth.
Virginia Code § 27-43 Payment on death
Should any volunteer fire fighter be killed while actually engaged in fighting fire, or while going to a fire in answer to an alarm or returning there from, the governing body of the county, city or town in which his company is located shall pay to his personal representative, for the benefit of his estate, the sum of \$1,000.
Virginia Code § 27-44 Payments for total and permanent disability
Should any volunteer fire fighter be injured under circumstances set forth in § 27-43, so as to be totally and permanently disabled from making a livelihood, he shall be paid in like manner the sum of twenty-five dollars per week for forty weeks.
Virginia Code § 27-45 Payments for partial disability
Should a volunteer fire fighter be injured under circumstances set forth in § 27-43, so as to be prevented from attending to his usual occupation for a period greater than two weeks, but not permanently and totally disabled, he shall be paid in like manner the sum of twenty-five dollars per week until able to return to his usual occupation, provided, that the payments shall not continue in any event for a period greater than ten weeks.
Virginia Code § 27-46 Payment for hospital and medical services
In addition to the relief set forth in §§ 27-43 through 27-45, all necessary hospital charges and all necessary and proper medical, surgical, laboratory and operating room charges for any volunteer fire fighter arising out of any injury set forth in such sections shall be paid by such county, city or town.
Virginia Code § 58.1-3506 Other classifications of tangible personal property for taxation;
A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter: 15. Motor vehicles (i) owned by members of a volunteer rescue squad or volunteer fire department or (ii) leased by members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is owned by each volunteer rescue squad member or volunteer fire department member, or leased by each volunteer rescue squad member or volunteer fire department member if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer rescue squad member or volunteer fire department member regularly responds to emergency calls. 16. Motor vehicles (i) owned by auxiliary members of a volunteer rescue squad or volunteer fire department or (ii) leased by auxiliary members of a volunteer rescue squad or volunteer fire department if the member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle.
Prince William County Board of County Supervisors Resolution 97-569
BOCS endorsed the volunteer fire and rescue Length of Service Award Program (LOSAP) program that provides benefit payments upon retirement of a volunteer firefighter at age 60. Benefits provided are \$10 each month for each year of service, subject to vesting provisions. Death and disability benefits are also provided, and survivors of the volunteers are also entitled to benefits.

Objectives and Approach

Objectives and Approach

Objectives and Scope

The objective of our internal audit focused on reviewing the control environment of certain financial and operational processes of the 3 selected Volunteer Fire & Rescue Companies. This internal audit covered the following areas:

- Board Governance, including meeting minutes
- Financial Operations (fire levy and non fire levy)
 - Cash Receipts and Disbursements
 - Revenues
 - Expenditures
 - Liabilities
 - Property Plant and Equipment
- Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policies and Procedures and Virginia Emergency Medical Services Regulations
 - Incident Response and Reporting
 - Member Staffing
 - Member Screening
 - Member Training and Certification

Approach

Our audit approach consisted of three phases:

Understanding and Documentation of the Process

During this phase, we conducted interviews with the County's DFR Chief/Chair of FRA, DFR Senior Administrative Manager, various DFR Battalion Chiefs and representatives. We discussed the scope and objectives of the audit work, obtained preliminary data, and established working arrangements. Preliminarily, we obtained copies of PWC Code Chapter 9.1, related policies and procedures, and other documents deemed necessary. We reviewed the applicable Virginia Code and County policies and procedures related to this internal audit.

Detailed Testing

The purpose of this phase was to test compliance and internal controls, based on our understanding of the applicable Virginia and County code, policies and procedures. Our fieldwork testing was conducted utilizing sampling and other auditing techniques to meet our audit objectives outlined above. Specific procedures performed included:

- Assessing oversight authority and objectives of the selected Company's governing Board and administrative and operational management.
- Reviewing board meeting minutes, board attendance and send each Board member a confirmation regarding protocol, financial monitoring, related party transactions, and the like.
- Reviewing that the governing board is performing the administrative and operational oversight functions as intended by County Code and Company By-Laws.
- Reviewing the selected Company's overall participation in FRA meetings and committees.
- Obtaining and reviewing most recent annual audited financial statements, where available.
- Obtaining and reviewing most recent unaudited financial statements.
- Performing analysis of fire levy taxpayer funding usage.
- Discussing the current accounting practices and methods used with management.
- Performing cash receipt and cash disbursement testing to assess whether proper internal controls are in place.
- Reviewing a sample of expenditures to assess whether they are in accordance with the County's expenditure code manual and fire levy funding rules and regulations.
- Reviewing a sample of expenditures to Company employees for compliance with *Fire and Rescue Association Procedure 3.3.3 Use of Fire Levy for Volunteer Company Employees*.

Objectives and Approach - continued

Detailed Testing - continued

- Reviewing cash reconciliations for unreconciled items and testing to ensure that the reconciliations are accurate and prepared timely.
- Reviewing bank signature cards and assess for proper segregation of duties.
- Other financial matters such as safeguarding of assets and payroll.
- Determining number of active volunteer members.
- Determining number of career firefighters placed by the County at the station.
- Determining that baseline medical examinations and subsequent annual medical examinations have been performed in accordance with *Sec. 9.1-16. - Physical examinations, criminal background checks, and department of motor vehicle checks.*
- Determining that criminal background check and a department of motor vehicle check has been performed on the volunteer member and results have been reported to the FRA in accordance with *Sec. 9.1-16. - Physical examinations, criminal background checks, and department of motor vehicle checks. (d) and Virginia Emergency Medical Services (EMS) Regulations.*
- Determining that members have obtained required training and that the member training and/or certification supporting documentation exists and are in accordance with *Fire and Rescue Association Procedure 4.5.9 Training Records and Internship Packets and 5.4.3 Acceptance of EMS Providers and Virginia EMS Regulations.*
- Reviewing that Fire and Emergency Medical Service incidents are reported in accordance with *Fire and Rescue Association Procedure 1.4.1 Fire and EMS Reporting Requirements and Virginia EMS Regulations.*

Reporting

At the conclusion of our audit, we summarized our observations related to the selected Companies and conducted separate exit conferences with Company management and the DFR Chief/Chairman of the FRA. Findings identified are included in the issue section of this report.

**Individual Fire & Rescue Company
Overview and Issues Matrix**

Buckhall Volunteer Fire Department – Station 16

Buckhall Volunteer Fire Department

Chief:

Art Jordan (since 2011)

Station Address and Year Opened:

Station 16 – 1983
7190 Yates Ford Rd, Manassas, VA 20111

Station 16 – Staffed by Volunteers from 6:00 PM to 6:00 AM Monday through Friday and weekends and holidays. Staffed by DFR career 24/7/365.

Membership:

Active Operational Volunteer Members	28
Total Volunteer Members	67
DFR Approved Career Positions:	17

Financial Data (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Adopted FY 2015
Fire Levy Expenditure Budget	\$758,304	\$1,161,763	\$806,440	\$697,975

Fire Emergency and EMS Response (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Adopted FY 2015
Fire incidents responded to by department	245	158	245	200
Fire incidents within first due area	56	56	65	60
EMS incidents responded to by department	372	373	310	380
EMS incidents responded to within first due area	309	267	240	275

Governing Board:

President:	Dale Trammell
Secretary:	Deborah Gallagher
Treasurer:	Amy L. Hermansen
Board Members:	James Rand (VP) Rick Gallagher (Member at Large) Dave Pullen (Member at Large) Art Jordan (Chief)

Buckhall Volunteer Fire Department - continued

Apparatus:

	Station 16
Pumpers	2
Ambulances/ Medical Unit	2
Water Tanker	1
Brush Truck	1
Hazmat Unit	1

Comments:

Bank Accounts:

Account Name	Account Description
County Checking	This checking account was created with the intention to separately account for all of Buckhall levy fund purchases and reimbursements. Purchases that qualify for reimbursement by County levy funds are made using the account's debit card or are made by physical check. BVFD then submits qualified purchases to the County for processing, and the reimbursement is made by direct deposit from the County's levy funds to the account.
Non-levy Account (Security Fundraiser Acct)	This checking account is used for any income and expenses that are related to general management and administration of BVFD, but that do not qualify for reimbursement by County levy funds. Funding is generally comprised of donations, fundraising proceeds, and expenses include travel, crew meals, and items for BVFD.
Suntrust MMA Performance	Money market account established by BVFD to earn interest on idle funds.

Debt: N/A

Leases: N/A

Subleases: N/A

Related Parties: N/A

Other: N/A

Rating	Issues	Recommendation	Management Response
Board Governance			
High	1. Board Governance		
	<p>We noted the following when reviewing governance and monitoring by the Governing Board of BVFD:</p> <ul style="list-style-type: none"> Per Article IX Duties of Treasurer Section 1. D of the BVFD By-Laws, the Treasurer shall give a monthly account at each regular membership meeting. Per review of the meeting minutes, the minutes did not indicate this process was being performed. We were provided a monthly financial report prepared by the Treasurer indicating cash balances for each account maintained by BVFD, however the minutes did not indicate or discuss any financial activity of BVFD. Per Article VII Duties of the President Section 9 of the BVFD By-Laws states the President should present an annual report to the membership at the November regular membership meeting. We were not provided minutes for the month of November so we were unable to determine if this policy was being followed. Per Article IX Duties of the Treasurer Section 1. B of the BVFD By-Laws states the all disbursements are to be made by check, signed by the Treasurer and countersigned by the President. In the event of illness or absence of the Treasurer, the Vice President and/or Secretary have the authority to cosign orders drawn on the Treasury. It was noted during our procedures related cash disbursements of non-levy funds there were numerous checks written that did not have the necessary signatures as stated in the By-Laws. Per Article IX Duties of the Treasurer Section 1. E of the BVFD By-Laws states the Treasurer shall provide an annual report of the previous fiscal year no later than the October regular membership meeting. In the minutes provided there was no indication this update was being performed. Per Article V Financial Management, Section 3 of the BVFD By-Laws indicates all expenditures in excess of \$1,000 shall be approved by the membership. In our testing of levy and non-levy funds 6 transactions that exceeded \$1,000. Based on the information provided we could not determine if these items had been approved by the membership. There was no indication in the meetings or on the invoices provided the membership had approved these transactions. <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	<p>We recommend that the following Board governance best practices be incorporated into the By-Laws and implemented as a requirement:</p> <ul style="list-style-type: none"> Maintain, review and approve detailed Board minutes on a monthly basis. Receive and review complete and accurate budget to actual financial results on a monthly basis for effective and proper monitoring for both levy and non levy funds. Review of non levy funds financial records could be a review of monthly revenue and expenditures, if any. We recommend the BVFD adhere to the policies stated in the By-Laws requiring dual signatures regarding the disbursements of checks. We recommend the BVFD adhere to the policy stated in the By-Laws requiring expenditures exceeding \$1,000 be approved by the membership. The BVFD could include this approval as part of the monthly board meetings and could be noted in the minutes. Receive and review the monthly bank reconciliations and compare them to the monthly reports, bank statements and canceled checks. <p>The above practices are necessary in order for the Board to effectively protect and monitor the Company's sustainability and provide proper oversight.</p>	<p>Response:</p> <p>A At every monthly meeting the account balances are read aloud, status of bills paid is made and this information is incorporated into the written meeting minutes.</p> <p>B. The checks referenced are primarily small dollar checks written by the V.P. for immediate needs. Bylaws will be amended to account for this.</p> <p>C. Annual report was missed in 2013.</p> <p>D. The bylaw referenced is for NEW purchases only; Not for repair/replacements.</p> <p>Estimated Completion Date: Modify Bylaws by June 2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	2. Bank Reconciliations		
	<p>During our review of procedures related to bank reconciliations we were unable to validate that the bank reconciliations are reviewed by the Treasurer on a monthly basis. We also noted the Bookkeeper or Treasurer receives the monthly bank statements opens and reviews the statement.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p> <p>Without proper segregation of duties and controls surrounding cash, there is an increased likelihood of errors, misappropriation of funds or other types of irregularities to occur without being detected in a timely manner.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Bank statements be submitted to either the Treasurer or the President for review prior to being provided to the Bookkeeper for use in reconciling the accounts. • Performance of bank reconciliations on a monthly basis by the Treasurer with review by the Board, within 45 days of month end. • As also recommended in Issue #1, the Board will receive and review the monthly bank reconciliations and compare them to the monthly reports, bank statements and canceled checks. <p>The above will assist in minimizing possible errors in records, misappropriation of funds or other types of irregularities.</p>	<p>Response: The entire board does not review monthly bank account statements. This is a poor use of volunteer time. The treasurer and bookkeeper manage these documents and functions.</p> <p>Estimated Completion Date: Have already changed reconciliation procedures. Do not agree with entire Board review.</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	3. Financial Records and Reporting		
	<p>We noted the following examples of incomplete and inaccurate financial records in Quickbooks:</p> <ul style="list-style-type: none"> • According to the monthly financial report prepared by the Treasurer and presented to the Board, the BVFD has an investment CD totaling approximately \$215,000. Per review of the trial balances and detailed ledgers provided there was no indication this CD has been reflected in the BVFD's accounting software QuickBooks. • Per the BVFD Form 990 for the fiscal year ending 2012, the Balance Sheet (Part X) of the 990 return indicated the BVFD had total assets including land, buildings and equipment totaling \$1,001,253. The trial balance provided by the Company indicated total assets of only \$100,000 for buildings, a difference of \$901,253. • Per the BVFD Form 990 for the fiscal year ending 2012, the Balance Sheet (Part X) of the 990 return indicated the BVFD has a note payable outstanding of \$84,691. The trial balances provided did not reflect any amounts regarding this liability. <p>Station management and the Board are hindered in their ability to properly monitor and make informed decisions on incomplete and inaccurate financial data. Incomplete and inaccurate financial data can cause delays in the identification of potential cash issues and / or irregularities and could result in overspending of the budget or misappropriation of funds.</p>	<p>The Company should adhere to a financial reporting policy to ensure all financial information is properly recorded in the Company's financial records.</p> <p>We recommend the BVFD update its financial records to properly reflect the information being reported on the annual Form 990 and to the Board.</p> <p>Complete and accurate financial reporting is necessary for management of the BVFD to make informed decisions regarding finances of the company. By providing complete and accurate financial information, the BVFD is also able to track all assets and liabilities accordingly.</p>	<p>Response:</p> <p>A. The monthly CD statements are kept in paper only and not in Quickbooks; monthly balance is reported at Membership meeting monthly.</p> <p>B. When prior Treasurer installed software, she put in value for building. Software not used to track value of building.</p> <p>C. Mortgage has been paid off.</p> <p>Estimated Completion Date: Jan 2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	4. Cash Disbursements		
	<p>During testing of cash disbursements, we noted the following.</p> <ul style="list-style-type: none"> During our procedures related to cash disbursements over non-levy funds, it was noted the BVFD was paying expenses from two (2) different check registers. Checks were being issued from preprinted checks and a manual check register. By paying for expenses from the different check registers the BVFD risk the potential for items not being recorded timely or accurately in its financial records. According to the By-Laws, Article IX Duties of the Treasurer Section 1. B of the BVFD By-Laws states the all disbursements are to be made by check, signed by the Treasurer and countersigned by the President or other designated individual. In our testing we noted 6 checks in our sample that included only one authorized signature. We also noted there numerous other checks only signed by one individual on the bank statements provided. During our review of cash disbursements it was noted one check issued by BVFD (check # 5598) in the amount of \$29.25 did not include a payee. The payee line had been left blank. This check was also signed by only one individual. <p>Disbursements lacking proper supporting documentation and authorization could result in misappropriation and overspending of funds.</p> <ul style="list-style-type: none"> It was also noted that during our testing on non-levy funds a check was issued to Total Wine was for the purchase of alcohol for the BVFD member dinner. This same expenditure also included a sales tax paid. <p>The Company is a structured not-for-profit entity and should not be paying sales tax on purchases. Payment of sales tax results in overspending of funds.</p>	<p>We recommend the following be implemented for the establishment of effective internal controls around cash disbursements:</p> <ul style="list-style-type: none"> All expenses paid by the BVFD should be paid from the same check stock. The BVFD should not be issued from two different check stocks. The BVFD should adhere to the policy stated in the By-Laws requiring all checks to have two signatures. All checks issued by the BVFD should include a payee on the check. This will ensure all disbursements made by the BVFD are to approved vendors. Adopt a policy to ensure sales tax is no longer paid on purchases on behalf of the station. If individuals are going to continue making purchases on behalf of the station, those purchases should be made from vendors that are aware of the Company's exemption from paying sales tax. The Company should register with vendors it frequently does business for to ensure all vendors are aware of its exempt status. <p>The above will assist the Company in gaining reasonable assurance that disbursements are proper and for valid purposes.</p>	<p>Response:</p> <p>A. Unrealized risk; one set of check is printed from Quickbooks and the other is portable for small purchases.</p> <p>B. Bylaws to be changed to accommodate actual, practical business practices.</p> <p>C. Vendor printed check; see attached receipt from Costco.</p> <p>D. Not all retailers will accept tax exempt certificate.</p> <p>Estimated Completion Date: June 2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	5. Asset and Property Control		
	<p>During inquiry of management, we noted that there is no system in place for booking and tracking inventory, supplies, and equipment and therefore assets are not appropriately safeguarded and accounted for. This includes both capital and non-capital assets.</p> <p>Safeguarding of assets is defined as “a process, affected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity’s assets...”</p>	<p>We recommend management implement a system to track any inventoried items, supplies, and equipment, on an annual basis. Furthermore, we recommend that the Company implement a method of tracking the Company’s fixed assets, whether purchased by levy or non-levy funds, and their related depreciation.</p> <p>The above will assist the Company in gaining reasonable assurance that the assets are properly utilized and accounted for, and will also prevent and detect misappropriation.</p>	<p>Response: We have a system in place. It is not entirely a written policy format. There is a checkout process for apparatus and EMT supplies.</p> <p>Estimated Completion Date: <i>Company did not provide</i></p>
High	6. Policies and Procedures		
	<p>It was noted the BVFD does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	<p>We recommend that the Company use and implement County established policies and procedures where needed. This should include, but not be limited to:</p> <ul style="list-style-type: none"> • Cash Receipts • Cash Disbursements • Asset and Property Control • Bank Reconciliations • Monthly Financial Reporting <p>The above policies and procedures will assist in establishing a sound control environment.</p>	<p>Response: There are policies in place, some are written, most are not. We have policies to handle the items listed.</p> <p>Estimated Completion Date: <i>Company did not provide</i></p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	7. Incident Reports		
	<p>During our testing of incident reports, we noted that out of a sample of 20 responded incidents, 1 incident report was not filed until 2/18/2014 for incident #14005835, that occurred on 2/16/2014 and there were no incident reports filed for 12 incidents (#14001898, 14002600, 14004467, 14004950, 14009097, 14011603, 14012595, 14014185, 14014692, 14019391, 14020209 and 14022035) in our sample selection.</p> <p>Incident reports in Prince William County are governed by the following authorities:</p> <ul style="list-style-type: none"> • Code of Virginia § 32.1-116.1 <i>Pre-hospital patient care reporting procedure; trauma registry; confidentiality</i> states “The minimum data set shall include, but not be limited to, the type of medical emergency or nature of the call, the response time, the treatment provided and other items as prescribed by the Board.” • Virginia Emergency Medical Services Regulations 12VAC5-31-560. <i>Patient care records</i> states “the required minimum data set shall be submitted on a schedule established by the Office of EMS.” • FRA Procedure 1.4.1 <i>Fire and EMS Incident Reporting Requirements</i> 4.1 states “Each unit that is dispatched and responds to or arrives at an incident is required to complete an incident report.” • Prince William County Fire and Rescue Association’s Uniform Rank Policy 4.5.1 requires a crew leader to be an OMD endorsed EMT. <p>Failure to submit an incident report is a violation of Virginia EMS Regulations, the Code of Virginia, and FRA policy.</p>	<p>In order for the Company to ensure that incident reports are complete, timely and properly submitted, we recommend that the Company monitor submission of incident reports, by the Chief or his designee, who should request the “Daily Incident Report” that the DFR can run and provide on daily basis, upon initial request. This report lists all incident responses made by the Company the previous day. These reports could be used to cross-reference against the Records Management and SafetyPad systems to ensure that each incident has a corresponding report. Any exceptions should be followed up on by the Company.</p>	<p>Response: Buckhall reviewed the state system and could not find any Volunteer incidents that were not complete.</p> <p>Estimated Completion Date: Buckhall will continue to verify OMD endorsement of Lead Providers.</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
Moderate	8. Background Screenings		
	<p>Three (3) of 18 members eligible to provide EMS services did not fulfill the 60 day background check requirement per by Virginia EMS Regulations 12VAC5-31-540.</p> <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p> <p>PWC Code Chapter 9.1-16 (d) states “All career and volunteer personnel in or entering fire and rescue services, or the service of a political subdivision with which it has contracted for fire protection, shall agree to consent to undergo a criminal background check and a department of motor vehicle check. The results thereof shall be submitted to the county or the member company for consideration upon application, or as soon as practicable upon request for current and active members.”</p> <p>Virginia EMS Regulations 12VAC5-31-540 <i>Personnel records</i> state “An EMS agency shall have a record for each individual affiliated with the EMS agency documenting the results of a criminal history background check conducted through the Central Criminal Records Exchange and the National Crime Information Center via the Virginia State Police, a driving record transcript from the individual's state Department of Motor Vehicles office, and any documents required by the Code of Virginia, no more than 60 days prior to the individual's affiliation with the EMS agency.”</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>To comply with the Company's contract with the County, Virginia EMS Regulations and the PWC Code Chapter 9.1, we recommend that the Company obtain and maintain all documented evidence of both the department of motor vehicle and criminal history background checks for each one of its volunteer members to ensure that all required screening has occurred. This documentation should be maintained in the respective volunteer member personnel files.</p> <p>We also recommend that the Company document action taken or not taken upon evaluation of background screenings with prior/current violations. This documentation should be maintained in the member's personnel file.</p>	<p>Response: <i>Company did not provide</i></p> <p>Estimated Completion Date: <i>Company did not provide</i></p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	9. Medical Clearances		
	<p>During our testing of volunteer members' medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • Seven (7) out of 25 volunteer members sampled did not have any record of an initial medical evaluation on file. • Six (6) out of 25 volunteer members sampled did not have a current medical evaluation done within the last year plus three month grace period. • Three (3) out of 25 volunteer members sampled had an expired fit test. • One (1) out of 25 volunteer members sampled did not have any record of a fit test on file. <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p> <p>PWC Code Chapter 9.1-16 (b) states “every person providing fire and/or rescue response, whether paid or volunteer, who is in the service or entering the service of the county, or the service of a political subdivision or volunteer fire and/or rescue company with which the county has contracted for fire and/or rescue service shall receive a baseline medical examination in accordance with NFPA 1582, and, thereafter, an annual medical examination in accordance with NFPA 1582.”</p> <p>FRA Policy 4.8.3 Medical Evaluation Program requires annual medical evaluations to be conducted every 12 months (plus or minus 3 months) in conjunction with the Annual OSHA Medical Evaluation Questionnaire. Any member not receiving an annual medical evaluation shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 9.1.2 Respiratory Protection Program requires annual fit tests. Any member not receiving an annual fit test shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>To comply with the Company's contract with the County, FRA Policy and the PWC Code Chapter 9.1, we recommend that the Company implement a process to monitor that all volunteer members have the proper and timely medical clearance.</p>	<p>Response: Buckhall reviewed the 25 members and found that all but three had proper medical and fit test. The three that did not have current medical and fit test were away in school or moved from the area. Buckhall will improve the documentation and storage of medical and fit test.</p> <p>Estimated Completion Date: 1 April 2015</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
	<p>10. Certifications</p> <p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we noted that 14 out of 25 members were missing 1 or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy. The relevant section of the Policy is given below.</p> <p>4.1. The Uniform Rank Training Certification Matrix (Attachments A, B, C, and D) identifies the minimum training and certifications for Prince William County fire and rescue providers.</p> <p>4.1.1. The matrix identifies training and certification for operational members. Administrative only members are exempt from the provisions of this policy.</p> <p>4.1.2. Operational members shall refer to the matrix when seeking training for a specific position as it identifies the minimum training elements and certification requirements for each level of increased operational responsibility.</p> <p>4.1.3. Departments may exceed any of these minimum training and/or certification requirements.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>We recommend that the Company continue to monitor and implement Policy 4.5.1 Uniform Rank Structure by the system wide implementation date of 1/1/2015. All certifications are required to be maintained by the Company's Training Officer in accordance with FRA Policy 4.5.9 <i>Training Records and Internship Packets</i>. The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County.</p>	<p>Response: Uniform Rank is not set in Policy for Prince William County. All Volunteer Operational members are certified to the By-Laws of the Buckhall Volunteer Fire Department. Buckhall will comply with Uniform Rank Policy when it gets approved.</p> <p>Estimated Completion Date: 1 January 2015</p>

Board Member Survey Questions and Responses

Questions	1	2	3	4	5	6	7
How long have you been on the Board?	15 years	NR	8 months	NR	NR	7 years	NR
Are you a voting or non-voting member of the Board?	Voting	NR	Voting	NR	NR	Voting	NR
Do you regularly attend the Board meetings?	Yes	NR	Yes	NR	NR	Yes	NR
If so, how often are Board meetings held?	Monthly	NR	Monthly	NR	NR	Monthly	NR
Do you have assigned duties/oversight as a Board member?	Yes	NR	Yes	NR	NR	Yes	NR
Were you elected in a public meeting?	Yes	NR	Yes	NR	NR	Yes	NR
Have you received a copy of the By-Laws of the Buckhall Volunteer Fire Department?	Yes	NR	Yes	NR	NR	Yes	NR
Who holds oversight/authority over the operational function of the volunteer fire department?	Chief	NR	Chief - operational President - Administrative	NR	NR	Chief	NR
Who holds oversight/authority over the administrative function of the volunteer fire department?	President	NR	Chief - operational President - Administrative	NR	NR	President	NR
At the Board meetings do you regularly receive financial reports?	No	NR	No	NR	NR	No	NR
Do these financial reports include the Non-Levy financial transactions/reports?	No	NR	No	NR	NR	No	NR
If so, does the Board discuss these financial reports?	No	NR	Yes	NR	NR	No	NR
Does the Board approve individual purchase transactions made from the Levy account above certain dollar thresholds made by the Buckhall Volunteer Fire Department?	Yes	NR	Yes	NR	NR	No	NR
Does the Board approve individual purchase transactions made from the Non-Levy accounts above certain dollar thresholds made by the Buckhall Volunteer Fire Department?	yes	NR	Yes	NR	NR	No	NR
If so, provide examples of types of purchase transactions the Board approves.	1*	NR	3*	NR	NR	NR	NR
Does the Board approve the Levy account annual budget?	Yes	NR	Not sure	NR	NR	No	NR
Does the Board approve amendments to the Levy account budget?	Yes	NR	Yes	NR	NR	No	NR
Does the Board approve the Non-Levy account annual budget?	No	NR	Yes	NR	NR	No	NR
Does the Board approve amendments to the Non-Levy account budget?	No	NR	Yes	NR	NR	No	NR
Please briefly describe any related party transactions you may have with Buckhall Volunteer Fire Department, if any:	2*	NR	NR	NR	NR	None	NR
Please briefly describe any conflicts of interest you are aware of, if any:	None	NR	N/A	NR	NR	4*	NR

Board Member Survey Questions and Responses - continued

Additional Explanations Submitted in Survey

Board Member	Response
1	1* Approval from the board is needed for any expenditures that are not paid for out of levy funds, such as our annual installation banquet or entertainment events. 2* I am not sure what you mean by this statement.
2	NR
3	3* Purchases over a certain threshold are taken to the full membership for approval. I'm not sure about the distinction of levy and non-levy accounts, but replacement equipment (e.g. gear lockers) will be discussed at the board meetings, and possibly taken to the membership for approval.
4	NR
5	NR
6	NR
7	NR

Please describe any areas for improvements to internal controls, if any?

Board Member	Response
1	None that I can point out.
2	NR
3	BVFD's Standard Operating Procedures should be better documented. Modifications to the bylaws may be needed with a review on an annual basis.
4	NR
5	NR
6	4* Putting policies and procedures in place.
7	NR

Please provide a description of your background as it relates to your fire and rescue experience:

Board Member	Response
1	I came into this department as a charter member in 1981. I was trained and served in every capacity and rank on the operational side, firefighter and EMS, to the rank of Chief. I served in that capacity for 9 years before stepping down and was elected to the board of directors, as member at large. I am currently the Vice President.
2	NR
3	Volunteer as a support member. No personal fire and rescue experience.
4	NR
5	NR
6	Member since 1988, held most operational positions to include Chief. Have been President for three years.
7	NR

Board Member Survey Questions and Responses - continued

Additional Explanations Submitted in Survey

Board Member	Response
1	I firmly believe that Buckhall Volunteer Fire Department is a very well run organization. We pride ourselves on our reputation as being well organized and fiscally responsible and frugal with the taxpayers money. In my 33 years of service to this community, I am very proud of what we have accomplished.
2	NR
3	NR
4	NR
5	NR
6	NR
7	NR

Attributes	
NR	No Response

If you have any other comments you would like to provide, please feel free to do so.

**Dale City Volunteer Fire Department –
Stations 10, 13, 18 and 20**

Dale City Volunteer Fire Department

Chief:

Christopher Hool (since 2004)

Station Address and Year Opened:

Station 10* – 2009	Station 13* – 1976	Station 18* - 1992	Station 20* - 2002
14975 Catalpa Court, Woodbridge, VA 22193	13511 Hillendale Drive Woodbridge, VA 22193	5849 Dale Boulevard Woodbridge, VA 22193	3171 Prince William Parkway, Woodbridge, VA 22193

* Staffed by Volunteers from 6:00 PM to 6:00 AM Monday through Friday and weekends and holidays. Staffed by DFR career firefighters 6:00 AM to 6:00 PM.

Membership:

Active Operational Volunteer Members	123
Total Volunteer Members	209
DFR Approved Career Positions:	
Station 10	16
Station 13	16
Station 18	17
Station 20	17

Financial Data (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2002	Adopted FY 2013	Adopted FY 2014	Adopted FY 2015
Fire Levy Expenditure Budget	\$2,969,613	\$3,522,081	\$3,756,026	\$3,728,842

Fire Emergency and EMS Response (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Base FY 2015
Fire incidents responded to by department	1,746	1,160	1,790	1,500
Fire incidents within first due area	631	607	620	620
EMS incidents responded to by department	5,911	5,353	6,445	5,500
EMS incidents responded to within first due area	3,120	3,042	3,075	3,100

Governing Board:

	<u>As of November 2013</u>	
President:	William Coats	
Treasurer:	Kimberly Batson	
Secretary:	Walter Grochala	
Membership Secretary:	N/A	
Board Members:	Danny Dutch	Robert Best
	Eddy Dumrie	Ricardo Hernandez
	Edgar Van Horn	Walter Green
	James Jones	

Dale City Volunteer Fire Department – continued

Apparatus:

	Station 10	Station 13	Station 18	Station 20
Vehicles (Officer and Utility)	1	1	1	12*
Tower Truck - 15	-	1	1 RT518	-
Fire Engines/ Trucks - 6	2	1	2	2
Ambulance/Medic Unit - 7	2	2	2	1
Rescue - 1	1	-	-	-
Incident Report Units – 2	1	-	-	1
Reserve Ladder - 1	-	-	1**	-

*2 Utilities, 1 Training, and 9 Admin (Chief Vehicles)

** Assigned to Station 18, but is stored at Occoquan Woodbridge Lorton's warehouse facility

Comments:

Bank Accounts:

Account Name	Account Description
Operations Account	This checking account was created with the intention to separately account for all of Dale City VFD's levy fund purchases and reimbursements. Purchases that qualify for reimbursement by County levy funds are made by physical check. Dale City VFD then submits qualified purchases to the County for processing, and the reimbursement is made by direct deposit from the County's levy funds to the Operations Account. This account also contains a balance of non-levy funds, and per inquiry some purchases from this account are not submitted for levy reimbursement.
Ways & Means Account	This checking account was created in order to account for non levy funds. Accounted for in this account are proceeds and expenses related to fundraising activity of the Company. Both internal and external fundraising activity is processed through this account.
Boot Fund Account	This checking account was established by the Company to account for donations made by members to assist other members with personal items. No levy funds are maintained or processed through this account.
Fundraising Account	This bank account is used to manage funds acquired through fundraising activity. Over time as the Company acquired cash from various fundraising activities, funds were transferred to this account.

Debt: Note payable with BB&T Bank in the original amount of \$500,000 related to renovations to the Company hall. Payments are due in monthly installments of \$5,572.21 including interest at 6% through January 2015.

Note payable with BB&T Bank related to the acquisition of Station #20 in the original amount of \$4,220,116. Payments are due in semi-annual payments of \$183,519.31 due April 15th and October 15th including interest at 3.75% through October 2018.

Leases: Capital lease with Wells Fargo for the acquisition of KME Rescue Truck. The lease was entered into on March 15, 2009. Payments are due annually in September in the amount of \$113,214 including interest at 4.43% through September 2015.

Subleases: N/A

Related Parties: N/A

Other: N/A

Rating	Issues	Recommendation	Management Response
Board Governance			
High	1. Board Governance		
	<p>We noted the following when reviewing governance and monitoring by the Governing Board of DCVFD:</p> <ul style="list-style-type: none"> Per Article Six, Checks, Deposits and Financial Records, Section 3. Financial Records of the DCVFD By-Laws, states the financial records of DCVFD shall be audited each year by an independent accounting firm. Per discussion with the Cheri Seiler, Office Administrator, the DCVFD has not had audit performed. The DCVFD financial statements were reviewed for fiscal year June 30, 2011. During our procedures performed it was noted the board minutes provided contained minimal information related to financial reporting. <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	<p>We recommend that the Company comply with Article Six, Checks, Deposits and Financial Records, Section 3 of their by-laws and obtain annual audit of their financial statements. Audited financial statements should be obtained and reported on a timely basis as financial reporting more than 6 months after year-end is on stale and outdated financial information.</p> <p>We also recommend that the following Board governance best practices be incorporated into the By-Laws and implemented as a requirement:</p> <ul style="list-style-type: none"> Receive and review complete and accurate budget to actual financial results on a monthly basis for effective and proper monitoring for both levy and non levy funds. Review of non levy funds financial records could be a review of monthly revenue and expenditures, if any. Receive and review the monthly bank reconciliations and compare them to the monthly reports, bank statements and canceled checks. <p>The above practices are necessary in order for the Board to effectively protect and monitor the Company's sustainability and provide proper oversight.</p>	<p>Response: The DCVFD has engaged an accounting firm who has been retained to perform a complete audit of both levy and non-levy funds, practices, and policies. Further, the DCVFD plans on maintaining annual compliance with Article 6 Section 3.</p> <p>The DCVFD regularly reviews fiscal positions of both levy and non-levy funds, and has already implemented a policy of attaching the reviewed reports to Board meeting minutes. The DCVFD is currently developing a comprehensive fiscal management policy to include monthly bank reconciliations.</p> <p>Estimated Completion Date: 03/01/2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	2. Bank Reconciliations		
	<p>During our review of the procedures related to bank reconciliations prepared by the DCVFD, we noted that complete and accurate bank reconciliations had been prepared by the Office Administrator. However, the bank reconciliation provided by the contained old outstanding checks dating back to April 2006. Total outstanding checks issued prior to fiscal year 2014 totaled \$101,419.11. Total outstanding deposits prior to fiscal year 2014 totaled \$45,644.70.</p> <p>It was noted the bank reconciliation was corrected and cleaned up by the third party outside accountant the DCVFD engages to prepare the DCVFD annual 990.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p>	<p>We recommend that the Company implement a policies and procedures to ensure all outstanding items greater than a year old be investigated and handled correctly. The DCVFD should not rely on a third party to perform this procedure.</p> <p>Complete bank reconciliation reviews will help ensure that potential cash issues and / or irregularities are identified and resolved in a timely manner.</p>	<p>Response: The DCVFD will ensure that outstanding items greater than a year old are investigated and reconciled at the close of each fiscal year as part of fiscal management policy.</p> <p>Estimated Completion Date: 03/01/2015</p>
Moderate	3. Cash Disbursements		
	<p>During the course of our procedures related to expenditures it was noted the DCVFD incurred sales tax totaling \$1,427.87 related to costs incurred for the annual reception party for its members. The DCVFD is a structured not-for-profit entity and should not being paying sales tax on purchases.</p> <p>Payment of sales tax results in overspending of funds.</p>	<p>We recommend the DCVFD review all expenses incurred to ensure sales tax is no longer paid on purchases made for the benefit of the DCVFD. The DCVFD should register with or inform all vendors it frequently does business with to ensure all vendors are aware of its exempt status.</p> <p>By doing the above it will ensure the DCVFD does not incur any sales tax on purchases for goods or services.</p>	<p>Response: The DCVFD (a 501(c)4) will ensure that non-levy purchasing does not include sales tax and will include this regulation as part of fiscal management policy.</p> <p>Estimated Completion Date: 03/01/2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
Moderate	4. Employment Contracts		
	<p>The Company has 5 non-volunteer paid employees (4 full-time and 1 part-time). During the procedures performed related to payroll of the DCVFD we noted the following.</p> <ul style="list-style-type: none"> The personal files maintained by the DCVFD did not include signed contracts for any of the 5 individuals employed by the DCVFD. It was also noted the personal files did not contain any documentation regarding the approved pay rate of the paid employees. <p>Lack of formal employment contracts can result in errors in payroll disbursements and also deprives the parties of a legal foundation upon which to base the employment.</p>	<p>We recommend that employment contracts/agreements be developed and maintained for all paid employees at the Company, which includes salary/pay rate and job responsibilities.</p>	<p>Response: The DCVFD currently maintains personnel files on all paid employees of the organization. The DCVFD will begin including a signed employment contract or agreement as well as compensation information within these files.</p> <p>Estimated Completion Date: 01/01/2015</p>
High	5. Policies and Procedures		
	<p>It was noted the DCVFD does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	<p>We recommend that the Company use and implement County established policies and procedures where needed. This should include, but not be limited to:</p> <ul style="list-style-type: none"> Cash Receipts Cash Disbursements Asset and Property Control Bank Reconciliations Monthly Financial Reporting <p>The above policies and procedures will assist in establishing a sound control environment.</p>	<p>Response: The DCVFD will review and reference Prince William County financial management policy and implement internal fiscal controls, management processes, and procedures where needed.</p> <p>Estimated Completion Date: 03/01/2015</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	6. Background Screenings		
	<p>During our testing of background screenings, we noted the following:</p> <ul style="list-style-type: none"> • There was no evidence of performance of a DMV check and review for 1 member selected out of 25, and 2 DMV checks were performed at a time significantly after their hire dates. • For 3 member sampled, the DMV checks noted prior violations. The Company maintains that their Board considers the record in each individual case and also insurance guideline determines if that is a factor in hiring or not. It could not be determined if requirements of 9.1-16(d) were met or not. • There was no evidence of performance of a criminal check and review for 2 members sampled out of 25, and 3 criminal checks were performed at a time significantly after their hire dates. <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p> <p>PWC Code Chapter 9.1-16 (d) states “All career and volunteer personnel in or entering fire and rescue services, or the service of a political subdivision with which it has contracted for fire protection, shall agree to consent to undergo a criminal background check and a department of motor vehicle check. The results thereof shall be submitted to the county or the member company for consideration upon application, or as soon as practicable upon request for current and active members.”</p>	<p>To comply with the Company's contract with the County, Virginia EMS Regulations and the PWC Code Chapter 9.1, we recommend that the Company obtain and maintain all documented evidence of both the department of motor vehicle and criminal history background checks for each one of its volunteer members to ensure that all required screening has occurred. This documentation should be maintained in the respective volunteer member personnel files.</p> <p>We also recommend that the Company document action taken or not taken upon evaluation of background screenings with prior/current violations. This documentation should be maintained in the member's personnel file.</p>	<p>Response: As for the 1 member missing the DMV check and the 3 missing the Criminal Background checks in their personnel files, all 4 of these members have been with the DCVFD for over 20 years prior to the current requirements in policies of the Va. OEMS and FRA. Per the Va. OEMS, these individuals are considered “grandfathered” because they were in the system prior to the last 3 policy changes.</p> <p>As for the 3 members who have issues on the current driving record, it has been standing policy of the DCVFD BOD to address driving infractions on a case by case basis as a qualifier for membership with the DCVFD.</p> <p>The DCVFD also notifies the department's insurance carrier, which by their established criteria, notifies the department if the members driving infractions will prevent insurance coverage. Any member that the insurance company will not cover is not allowed to drive or operate any vehicle owned by the DCVFD until their driving record has improved and the insurance company approved them for coverage. Members, Staff Officer's, and the BOD of the DCVFD are made aware of any member who can or cannot be covered by the department's insurance carrier and ensures compliance. The department's insurance carrier also notifies the department anytime a current active member receives any driving infractions during their membership with the DCVFD and recommends removal from driving.</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations - continued			
High	6. Background Screenings - continued		
	<p>Virginia EMS Regulations 12VAC5-31-540 <i>Personnel records</i> state “An EMS agency shall have a record for each individual affiliated with the EMS agency documenting the results of a criminal history background check conducted through the Central Criminal Records Exchange and the National Crime Information Center via the Virginia State Police, a driving record transcript from the individual's state Department of Motor Vehicles office, and any documents required by the Code of Virginia, no more than 60 days prior to the individual's affiliation with the EMS agency.”</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>		<p>Response - continued: The DCVFD meets the FRA policy because it only requires a driving record check and leaves the department to make the decision on membership and/or driving status. Currently the DCVFD is in the process of reviewing the department's membership database on all active members that have a Driving Record and Criminal Background Check in their membership file.</p> <p>Estimated Completion Date: 12/01/2014</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	7. Medical Clearances		
	<p>During our testing of volunteer members’ medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • One out of 25 volunteer members sampled did not have a current medical evaluation done within the last year plus the three month grace period. • One out of 25 volunteer members sampled had an expired fit test. <p>We were unable to validate that the members was removed from operational status, once the medical clearances had expired.</p> <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p> <p>PWC Code Chapter 9.1-16 (b) states “every person providing fire and/or rescue response, whether paid or volunteer, who is in the service or entering the service of the county, or the service of a political subdivision or volunteer fire and/or rescue company with which the county has contracted for fire and/or rescue service shall receive a baseline medical examination in accordance with NFPA 1582, and, thereafter, an annual medical examination in accordance with NFPA 1582.”</p> <p>FRA Policy 4.8.3 Medical Evaluation Program requires annual medical evaluations to be conducted every 12 months (plus or minus 3 months) in conjunction with the Annual OSHA Medical Evaluation Questionnaire. Any member not receiving an annual medical evaluation shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 9.1.2 Respiratory Protection Program requires annual fit tests. Any member not receiving an annual fit test shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>To comply with the Company’s contract with the County, FRA Policy and the PWC Code Chapter 9.1, we recommend that the Company implement a process to monitor that all volunteer members have the proper and timely medical clearance.</p> <p>Also, we recommend that the Company maintain documentation regarding the removal of an individual from operational status, preferably in the personnel file.</p>	<p>Response: The 1 member deficient with the OSHA Questionnaire and the NFPA Physical was in an inactive status when these items expired. The DCVFD removes any member from Operational Status that does not have a current Physical and/or OSHA questionnaire as stated in the FRA policy. Any member who is in an inactive status cannot return to operations until the member has a current Physical and OSHA Questionnaire on file.</p> <p>Estimated Completion Date: N/A</p>

Rating	Observation	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
	8. Certifications		
	<p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we observed that 5 out of 25 members sampled were missing one or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy. The relevant section of the Policy is given below.</p> <p>4.1. The Uniform Rank Training Certification Matrix (Attachments A, B, C, and D) identifies the minimum training and certifications for Prince William County fire and rescue providers.</p> <p>4.1.1. The matrix identifies training and certification for operational members. Administrative only members are exempt from the provisions of this policy.</p> <p>4.1.2. Operational members shall refer to the matrix when seeking training for a specific position as it identifies the minimum training elements and certification requirements for each level of increased operational responsibility.</p> <p>4.1.3. Departments may exceed any of these minimum training and/or certification requirements.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>We recommend that the Company continue to monitor and implement Policy 4.5.1 Uniform Rank Structure by the system wide implementation date of 1/1/2015. All certifications are required to be maintained by the Company’s Training Officer in accordance with FRA Policy 4.5.9 <i>Training Records and Internship Packets</i>. The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County.</p>	<p>Response: DCVFD will continue to monitor and implement Policy 4.5.1, Uniform Rank Structure.</p> <p>Estimated Completion Date: 01/01/2015</p>

Board Member Survey Questions and Responses

Questions	1	2	3	4	5	6	7	8	9	10	11
How long have you been on the Board?	15	NR	26	NR	8	12	40+	NR	1	7-8	NR
Are you a voting or non-voting member of the Board?	Voting	NR	Voting	NR	Voting	Voting	Voting	NR	Voting	Voting	NR
Do you regularly attend the Board meetings?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
If so, how often are Board meetings held?	Bimonthly	NR	Bimonthly	NR	Bimonthly	Bimonthly	Bimonthly	NR	Bimonthly	Bimonthly	NR
Do you have assigned duties/oversight as a Board member?	Yes	NR	Yes	NR	Yes	No	Yes	NR	Yes	No	NR
Were you elected in a public meeting?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Have you received a copy of the By-Laws of the Dale City Volunteer Fire?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Who holds oversight/authority over the operational function of the volunteer fire department?	Fire Chief	NR	Fire Chief	NR	Chief & BOD	Chief Hool	Chief Hool	NR	9 *	Fire chief	NR
Who holds oversight/authority over the administrative function of the volunteer fire department?	BOD	NR	President	NR	BOD	BOD	President Coats	NR	BOD	President	NR
At the Board meetings do you regularly receive financial reports?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Do these financial reports include the Non-Levy financial transactions/reports?	Yes	NR	Yes	NR	No	Yes	Yes	NR	Yes	No	NR
If so, does the Board discuss these financial reports?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Does the Board approve individual purchase transactions made from the Levy account above certain dollar thresholds made by the Dale City Volunteer Fire?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Not sure	NR
Does the Board approve individual purchase transactions made from the Non-Levy accounts above certain dollar thresholds made by the Dale City Volunteer Fire?	Yes	NR	Yes	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
If so, provide examples of types of purchase transactions the Board approves.	1*	NR	3 *	NR	NR	4 *	6 *	NR	10 *	NR	NR
Does the Board approve the Levy account annual budget?	Yes	NR	No	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Does the Board approve amendments to the Levy account budget?	Yes	NR	No	NR	Yes	Yes	Yes	NR	Yes	Yes	NR
Does the Board approve the Non-Levy account annual budget?	Yes	NR	Yes	NR	Yes	No	Yes	NR	Yes	No	NR
Does the Board approve amendments to the Non-Levy account budget?	Yes	NR	No	NR	Yes	No	Yes	NR	Yes	No	NR
Please briefly describe any related party transactions you may have with Dale City Volunteer Fire, if any:	2 *	NR	None	NR	NR	5 *	7 *	NR	N/A	NR	NR
Please briefly describe any conflicts of interest you are aware of, if any:	None	NR	None	NR	NR	None	8 *	NR	N/A	NR	NR

Additional Explanations Submitted in Survey

Board Member	Response
1	1* All transactions that exceed \$500.00. 2* The term "party transactions" is to general and cannot answer.
2	NR
3	3* Food for holiday meals
4	NR
5	NR
6	4* Almost every purchase comes before the board. Apparatus, equipment, building improvements, computers, contractors, appliances, etc 5* I have performed IT related work for the department through my company and received payment for a few hundred dollars in Nov 2008.
7	6* Funding of annual installation 7* Don't understand this question 8* There are no conflict of interest issues that I am aware of
8	
9	9* It is a shared responsibility of both the operational Chief Officers and the Board of Directors. 10* All unbudgeted expenses and through the approval of a submitted budget, budgeted expenses.
10	NR
11	NR

Please describe any areas for improvements to internal controls, if any?

Board Member	Response
1	None
2	NR
3	None
4	NR
5	NR
6	NR
7	None at this time
8	NR
9	Currently drafting revised fiscal and administrative policies.
10	NR
11	NR

Board Member Survey Questions and Responses - continued

Please provide a description of your background as it relates to fire and rescue experience:

Board Member	Response
1	I have more than 25 years of experience with the fire department and remain active in both the operational and administrative areas. I have both firefighter and EMS certifications and have served as both a corporate and operational officer.
2	NR
3	45 years in fire service several in management positions
4	NR
5	Firefighter and state fire instructor. Joined dept in 2001
6	21 years with DCVFD. Current Captain battalion 3 Station 18. Life member.
7	60 years in the fire service
8	NR
9	Joined the department in June of 2010, have served in the fields that I manage within the department (IT) for over 7 years.
10	NR
11	NR

If you have any other comments you would like to provide, please feel free to do so.

Board Member	Response
1	Having previous experience in the auditing field, the personnel performing the internal audits were very courteous, knowledgeable, flexible, and professional.
2	NR
3	None
4	NR
5	NR
6	NR
7	None
8	NR
9	NR
10	NR
11	NR

Legend	
NR	No Response

Evergreen Volunteer Fire Department – Station 15

Evergreen Volunteer Fire Department

Chief:

Kerrie Logsdon (since 2000)

Station Address and Year Opened:

Station 15 – 1978 3510 James Madison Highway Haymarket VA 20169

Staffed by Volunteers from 6:00 PM to 6:00 AM Monday through Friday and weekends and holidays. Staffed by EVFD&RS career firefighters 6:00 AM to 6:00 PM and by DFR career medics 24/7.

Membership:

Active Operational Volunteer Members	29
Total Volunteer Members	86
DFR Approved Career Positions:	17

Financial Data (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2002	Actual FY 2013	Adopted FY 2014	Adopted FY 2015
Fire Levy Expenditure Budget	\$1,020,473	\$586,656	\$708,091	620,072

Fire Emergency and EMS Response (per the FY 2015 Budget document posted on the County's website):

	Actual FY 2012	Actual FY 2013	Adopted FY 2014	Adopted FY 2015
Fire incidents responded to by department	159	116	200	150
Fire incidents within first due area	67	65	70	70
EMS incidents responded to by department	272	294	320	320
EMS incidents responded to within first due area	205	205	230	230

Governing Board:

President: Vice President: Treasurer: Secretary: Board Members:	<u>As of January 2014</u> Ayme Pointer Wally Hunt John Obremski Tom Pritchard Zachary Barrett Melissa Thorpe
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Evergreen Volunteer Fire Department - continued

Apparatus:

	Station 15
Small Vehicles	3
Ambulances/ Medical Unit	2
Engines/ Ladder Trucks	3

Comments:

Bank Accounts:

Account Name	Account Description
Operations Account	This checking account was created with the intention to separately account for all of Evergreen FD&RS's levy fund purchases and reimbursements, and select non-reimbursable expenditures. Purchases that qualify for reimbursement by County levy funds are made by physical check. Evergreen FD&RS then submits qualified purchases to the County for processing, and the reimbursement is made by direct deposit from the County's levy funds to the Operations Account. This account also contains a balance of non-levy monies which fund the non-reimbursable expenditures.
Donations Account	This account was created to track donations made to the Company. The donation account is used for non-levy activity. Expenses paid from this account include certain non-levy expenses related to Company activities.
Vehicle Fund Account	This checking account was created to separately hold funds to be used for replacement of Company vehicles. Expenses paid from this account include certain non-levy expenses related to vehicle replacement.
Gas Security Account	This checking account was established at the request of the Environmental Protection Agency (EPA). The Company has underground gas tanks on its property. Due to this the stations is required to maintain a minimum balance is a checking account to cover any potential liability.

Debt: The Company has a loan with BB&T Bank. The note was used to acquire equipment for the Company. The note was obtained in May 1996 in the original amount of \$450,000. Principal payments are due annually in May through 2016. The current balance on the note is \$110,000.

Leases: Company leases property to Pinnacle Towers for \$2,645 per month. Pinnacle Towers has cell phone antenna on property of the Company.

The Company has a capital lease for the purchase of a Pierce Dash Pumper Chassis and a 2006 Pierce Pumper. The Company entered into the lease on February 6, 2007. Annual installments of \$72,253.52 are due in February through 2017. The total principal and interest due on the lease is \$216,761.

Subleases: N/A

Related Parties: N/A

Other: N/A

Rating	Issues	Recommendation	Management Response
Board Governance			
High	1. Board Governance		
	<p>We noted the following when reviewing governance and monitoring by the Governing Board of EVFD&RS:</p> <ul style="list-style-type: none"> Per the Line Officer & Committees Duties & Responsibilities section of the EVFD&RS By-Laws states the Treasurer should prepare monthly balance sheets, budget analysis reports, prepare yearly budget development updates and ensure regular financial audits. We are uncertain as to the extent of the financial data provided to the Board members at the monthly meetings. Such data is not detailed in the meeting minutes nor were we provided with monthly budget to actual financial data that had been provided to the EVFD&RS Board. Per discussion with the Chief, neither non fire levy nor levy monthly budget to actual financial data is provided to the Board. Board meeting minutes from July 2013 to February 2014 do not indicate if the Board approved the prior meeting's minutes <p>Effective and proper board governance and monitoring is a best practice to assist any entity with sustainability and in meeting its purpose and objectives.</p>	<p>We recommend that the following Board governance best practices be incorporated into the By-Laws and implemented as a requirement:</p> <ul style="list-style-type: none"> Maintain, review and approve detailed Board minutes on a monthly basis. Receive and review complete and accurate budget to actual financial results on a monthly basis for effective and proper monitoring for both levy and non levy funds. Review of non levy funds financial records could be a review of monthly revenue and expenditures, if any. Receive and review the monthly bank reconciliations and compare them to the monthly reports, bank statements and canceled checks. <p>The above practices are necessary in order for the Board to effectively protect and monitor the Company's sustainability and provide proper oversight.</p>	<p>Response: We have adopted these recommendations as required reporting in the board minutes</p> <p>Estimated Completion Date: Done</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	2. Bank Reconciliations		
	<p>During our review of procedures related to bank reconciliations we was noted the Company was monitoring it cash available for spending but it did not appear bank reconciliations were being prepared monthly.</p> <p>A bank reconciliation offers checks and balances for the Company's accounting and the bank's accounting. Bank reconciliations are a means to detect errors and misappropriation of funds. Non performance of a timely bank reconciliation and review to supporting documentation may cause delays in the identification of potential cash issues and / or irregularities.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Performance of bank reconciliations on a monthly basis by the Treasurer with review by the Board, within 45 days of month end. • As also recommended in Issue #1, the Board will receive and review the monthly bank reconciliations and compare them to the monthly reports, bank statements and canceled checks. <p>Complete bank reconciliation reviews will help ensure that potential cash issues and / or irregularities are identified and resolved in a timely manner.</p>	<p>Response: We are in the process of becoming fully functional in Quickbooks which will allow this to be done on a regular basis</p> <p>Estimated Completion Date: January 1, 2015</p>
High	3. Segregation of Duties		
	<p>Effective segregation of duties helps detect errors in a timely manner, deters improper activity, improves operational efficiency, and enhances communication among functions. Generally, an individual should not have responsibility for more than one of three transaction components: authorization, custody of assets and recordkeeping. In some cases; however, less than ideal segregation of duties may be allowed to exist when either there is effective monitoring procedures in place or the cost of implementing ideal controls exceed the expected benefits.</p> <p>During our testing of cash receipts, we noted that the Bookkeeper employed by the Company on a contract basis with a temp agency has the ability to perform many functions related to the processing and handling of cash receipts. It was noted this individual prepares the bank deposit ticket, makes the deposit with the bank and has access to the QuickBooks files maintained by the Company, which is a segregation of duties conflict.</p> <p>Without proper segregation of duties and controls surrounding cash, there is an increased likelihood of errors, misappropriation of funds or other types of irregularities to occur without being detected in a timely manner.</p>	<p>We recommend EVFD&RS implement the following procedures to improve existing segregation of duties:</p> <ul style="list-style-type: none"> • The Treasurer and Bookkeeper be bonded. • Limit the Bookkeepers role regarding cash receipts. The Bookkeeper should not be able to handle all processes associated with the processing of cash receipts. At minimum the Bookkeeper should not be allowed to make the deposit with the bank. This should be by someone independent of the processing and recording of cash receipts. • As also, recommended in issues #1 and #4, performance of bank reconciliations on a monthly basis by the Treasurer with review by the Board. <p>The above will assist in minimizing possible errors in records, misappropriation of funds or other types of irregularities.</p>	<p>Response: We have adopted this recommendation & the Treasurer is compiling the deposits now.</p> <p>Estimated Completion Date: Now</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	4. Financial Records and Reporting		
	<p>The Company has a capital lease for the purchase of a Pierce Dash Pumper Chassis and a 2006 Pierce Pumper. The Company entered into the lease on February 6, 2007. Annual installments of \$72,253.52 are due in February through 2017. The Company has not recorded a liability for the capital lease of equipment acquired by the Company.</p> <p>By failing to properly record the liability for the lease the Company has understated its liabilities. Company management and the Board are hindered in their ability to properly monitor and make informed decisions on incomplete financial data. Incomplete financial data will cause delays in the identification of potential cash issues and / or irregularities and could result in overspending of the budget or misappropriation of funds.</p>	<p>The Company should adhere to a financial reporting policies established to ensure all financial information is properly recorded in the Company's financial records. The Company should implement a policy to ensure that capital leases the Company enters into are properly recorded at the time the lease is executed. This task should be handled by the Treasurer or someone with knowledge of proper accounting for capital leases.</p>	<p>Response: The Treasurer has made this change.</p> <p>Estimated Completion Date: Done</p>
High	5. Bank Accounts		
	<p>During or review of bank accounts maintained by the EVFD&RS it was noted EVFD&RS has 4 bank accounts with BB&T Bank, with a total balance of \$4,800 as of February 26, 2014. These accounts were established by the previous administration and current administration does not have access to these accounts.</p> <p>Failure to close these accounts could possibly lead to the theft or misappropriation of these assets.</p>	<p>We recommend management close the 4 accounts maintained at BB&T Bank and transfer to the corresponding Bank of America accounts held by EVFD&RS, immediately</p> <p>By doing the above it will ensure all of EVFDs assets are held in accounts in which the current administration have rights over and avoid any potential loss of assets.</p>	<p>Response: This has been remedied and the switch to Bank of America is complete.</p> <p>Estimated Completion Date: Now</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	6. Cash Disbursements Testing		
	<p>During the course of our procedures related to expenditures it was noted on several occasions the Company reimbursed its members for items purchased on behalf of the Company. Included in the reimbursement were amounts for sales tax. The Company is structured 501(C) 3 (not-for-profit entity) and should not be paying sales tax on purchases.</p> <p>We also noted that EVFD&RS utilizes a manual process of cash disbursements.</p> <p>For the months of September 2013 and December 2013 we requested supporting documentation for the debit card transactions indicated on the monthly bank statements. We were not provided any support of these items.</p> <p>Failure to process transactions within QuickBooks could result in the possibility of financial data not being recorded or being recorded untimely.</p> <p>Disbursements lacking proper supporting documentation and authorization could result in misappropriation and overspending of funds.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Adopt a policy to ensure sales tax is no longer paid on purchases on behalf of the station. If individuals are going to continue making purchases on behalf of the station, those purchases should be made from vendors that are aware of the Company's exemption from paying sales tax. The Company should register with vendors it frequently does business for to ensure all vendors are aware of its exempt status. • Processing of all financial transactions, including cash disbursements, be performed in the QuickBooks accounting software. • Require that all purchases have the appropriate supporting documentation. <p>By doing the above it will ensure all financial data of the EVFD&RS is recorded timely within the financial system. This will provide management with accurate and timely financial information.</p>	<p>Response:</p> <p>We are attempting to consolidate purchasing so that the incurrence of sales tax is eliminated or limited</p> <p>The board is attempting to locate the missing documentation.</p> <p>We have implemented <i>Pex Card System</i> which provides better controls over petty cash spending.</p> <p>Estimated Completion Date: Ongoing</p>
High	7. Asset and Property Control		
	<p>During inquiry of management, we noted that there is no system in place for booking and tracking inventory, supplies, and equipment and therefore assets are not appropriately safeguarded and accounted for. This includes both capital and non-capital assets.</p> <p>Safeguarding of assets is defined as "a process, affected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets..."</p>	<p>We recommend management implement a system to track any inventoried items, supplies, and equipment, on an annual basis. Furthermore, we recommend that EVFD&RS implement a method of tracking EVFDRS's fixed assets and their related depreciation.</p> <p>The above will assist EFVD&RS in gaining reasonable assurance that the assets are properly utilized and accounted for, and will also prevent and detect any unintended shrinkage.</p>	<p>Response:</p> <p>We are looking for an appropriate solution</p> <p>Estimated Completion Date: July 1, 2015</p>

Rating	Issues	Recommendation	Management Response
Financial Operations			
High	8. Standardized Policies and Procedures		
	<p>It was noted the Company does not have formal policies and procedures that outlines procedures related to key financial processes/transactions and controls.</p> <p>Lack of well documented policies and procedures increases the risk of miscommunication, error, and lack of effective and efficient internal controls.</p>	<p>We recommend that the Company use and implement County established policies and procedures where needed. This should include, but not be limited to:</p> <ul style="list-style-type: none"> • Cash Receipts • Cash Disbursements • Asset and Property Control • Bank Reconciliations <p>The above policies and procedures will assist in establishing a sound control environment.</p>	<p>Response: We are in the process of revising our bylaws</p> <p>Estimated Completion Date: The Bylaw Committee estimates a completion of January 1, 2015</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
Moderate	9. Incident Reports		
	<p>During our testing of incident reports, we noted that out of a sample of 20 responded incidents; 1 incident report was not filed until 5/22/2014 for an incident that occurred on 5/15/2014 and there was no incident report for an incident that occurred on 1/15/2014.</p> <p>Incident reports in Prince William County are governed by the following authorities:</p> <ul style="list-style-type: none"> • Code of Virginia § 32.1-116.1 <i>Pre-hospital patient care reporting procedure; trauma registry; confidentiality</i> states “The minimum data set shall include, but not be limited to, the type of medical emergency or nature of the call, the response time, the treatment provided and other items as prescribed by the Board.” • Virginia Emergency Medical Services Regulations 12VAC5-31-560. <i>Patient care records</i> states “the required minimum data set shall be submitted on a schedule established by the Office of EMS.” • FRA Procedure 1.4.1 <i>Fire and EMS Incident Reporting Requirements</i> 4.1 states “Each unit that is dispatched and responds to or arrives at an incident is required to complete an incident report.” <p>Failure to submit an incident report is a violation of Virginia EMS Regulations, the Code of Virginia, and FRA policy.</p>	<p>In order for the Company to ensure that incident reports are complete, timely and properly submitted, we recommend that the Company monitor submission of incident reports, by the Chief or his designee, who should request the “Daily Incident Report” that the DFR can run and provide on daily basis, upon initial request. This report lists all incident responses made by the Company the previous day. These reports could be used to cross-reference against the Records Management and SafetyPad systems to ensure that each incident has a corresponding report. Any exceptions should be followed up on by the Company.</p>	<p>Response: Officers have had the current policy of immediate completion of reports reiterated.</p> <p>Estimated Completion Date: Done</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	10. Background Screenings		
	<p>During our testing of background screenings, we noted the following:</p> <ul style="list-style-type: none"> • There was no evidence of performance of a DMV check and review for any of the 25 volunteers in the sample at the time of our testing as required by 9.1-16 (d). • The Company performed criminal checks for 8 of the 25 sample members. The criminal checks were performed during May 2014 and June 2014, not upon contract date. • Fifteen of 15 members eligible to provide EMS services did not pass the 60 day test required by Virginia EMS Regulations 12VAC5-31-540. <p>Evidence of performance of background checks are required by the PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy.</p> <p>PWC Code Chapter 9.1-16 (d) states “All career and volunteer personnel in or entering fire and rescue services, or the service of a political subdivision with which it has contracted for fire protection, shall agree to consent to undergo a criminal background check and a department of motor vehicle check. The results thereof shall be submitted to the county or the member company for consideration upon application, or as soon as practicable upon request for current and active members.”</p> <p>Virginia EMS Regulations 12VAC5-31-540 <i>Personnel records</i> state “An EMS agency shall have a record for each individual affiliated with the EMS agency documenting the results of a criminal history background check conducted through the Central Criminal Records Exchange and the National Crime Information Center via the Virginia State Police, a driving record transcript from the individual's state Department of Motor Vehicles office, and any documents required by the Code of Virginia, no more than 60 days prior to the individual's affiliation with the EMS agency.”</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>To comply with the Company's contract with the County, Virginia EMS Regulations and the PWC Code Chapter 9.1, we recommend that the Company obtain and maintain all documented evidence of both the department of motor vehicle and criminal history background checks for each one of its volunteer members to ensure that all required screening has occurred. This documentation should be maintained in the respective volunteer member personnel files.</p>	<p>Response: This is a work in progress. We are continuing to work toward 100% compliance.</p> <p>We are implementing the OEMS fingerprinting regulations.</p> <p>We have begun running background checks on junior members though this has no meaningful results.</p> <p>Estimated Completion Date: Ongoing</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
High	11. Medical Clearances		
	<p>During our testing of volunteer members’ medical clearances, we noted the following:</p> <ul style="list-style-type: none"> • Five out of 25 volunteer members sampled did not have any record of a medical evaluation on file. • One out of 25 volunteer members sampled had an expired fit test. • One out of 25 volunteer members sampled did not have any record of a fit test on file. <p>Failure to have up to date medical clearances is a violation of PWC Code 9.1 and FRA policy.</p> <p>PWC Code Chapter 9.1-16 (b) states “every person providing fire and/or rescue response, whether paid or volunteer, who is in the service or entering the service of the county, or the service of a political subdivision or volunteer fire and/or rescue company with which the county has contracted for fire and/or rescue service shall receive a baseline medical examination in accordance with NFPA 1582, and, thereafter, an annual medical examination in accordance with NFPA 1582.”</p> <p>FRA Policy 4.8.3 Medical Evaluation Program requires annual medical evaluations to be conducted every 12 months (plus or minus 3 months) in conjunction with the Annual OSHA Medical Evaluation Questionnaire. Any member not receiving an annual medical evaluation shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 9.1.2 Respiratory Protection Program requires annual fit tests. Any member not receiving an annual fit test shall be deemed non-operational and shall not participate in emergency response and/or training activities.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>To comply with Company’s contract with the County, FRA Policy and the PWC Code Chapter 9.1, we recommend that the Company implement a process to monitor that all volunteer members have the proper and timely medical clearance.</p>	<p>Response: We continue to work toward 100% compliance. Our policy states that members must have a current fit test and physical on file in order to run calls. We are working on ensuring compliance.</p> <p>Estimated Completion Date: Ongoing</p>

Rating	Issues	Recommendation	Management Response
Operational – Compliance with County Contract, PWC Code Chapter 9.1, Fire and Rescue Association Policy and EMS Regulations			
	12. Certifications		
	<p>The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County. The policy provides for an implementation period from 10/16/2013 to system wide by implementation date of 1/1/2015. As of our testing we observed that 9 of 25 members were missing 1 or more minimum training requirements as per Uniform Rank Structure Policy dated 10/16/2013.</p> <p>Failure to be properly certified is a violation of PWC Code Chapter 9.1, the Virginia EMS Regulations and FRA Policy. The relevant section of the Policy is given below.</p> <p>4.1. The Uniform Rank Training Certification Matrix (Attachments A, B, C, and D) identifies the minimum training and certifications for Prince William County fire and rescue providers.</p> <p>4.1.1. The matrix identifies training and certification for operational members. Administrative only members are exempt from the provisions of this policy.</p> <p>4.1.2. Operational members shall refer to the matrix when seeking training for a specific position as it identifies the minimum training elements and certification requirements for each level of increased operational responsibility.</p> <p>4.1.3. Departments may exceed any of these minimum training and/or certification requirements.</p> <p>FRA Policy 1.1.5 Section 4.4 states “Operational Member Requirement – Each FRA member department shall maintain a minimum of 20 operational members. Operational members will remain at all time a member in good standing of the FRA member department, and comply with all Chapter 9.1, FRA Policies and Procedures, and other applicable County, State and Federal regulations.”</p>	<p>We recommend that the Company continue to monitor and implement Policy 4.5.1 Uniform Rank Structure by the system wide implementation date of 1/1/2015. All certifications are required to be maintained by the Company’s Training Officer in accordance with FRA Policy 4.5.9 <i>Training Records and Internship Packets</i>. The FRA has issued Policy 4.5.1 <i>Uniform Rank Structure</i> that defines the required minimum certifications by position and rank for all fire/rescue companies in Prince William County.</p>	<p>Response: Our training department is working to identify gaps and develop action plans for deficiencies.</p> <p>Estimated Completion Date: Ongoing</p>

Board Member Survey Questions and Responses

Questions	1	2	3	4	5	6
How long have you been on the Board?	16 years	1 year	NR	NR	NR	1 ½ years
Are you a voting or non-voting member of the Board?	Voting	Voting	NR	NR	NR	Voting
Do you regularly attend the Board meetings?	Yes	Yes	NR	NR	NR	Yes
If so, how often are Board meetings held?	Monthly	Monthly	NR	NR	NR	Monthly
Do you have assigned duties/oversight as a Board member?	Yes	Yes	NR	NR	NR	No
Were you elected in a public meeting?	Yes	Yes	NR	NR	NR	Yes
Have you received a copy of the By-Laws of the Evergreen Volunteer Fire Department?	Yes	Yes	NR	NR	NR	Yes
Who holds oversight/authority over the operational function of the volunteer fire department?	Chief	Chief	NR	NR	NR	Chief Kerrie Logsdon
Who holds oversight/authority over the administrative function of the volunteer fire department?	President	President	NR	NR	NR	President Ayme Pointer
At the Board meetings do you regularly receive financial reports?	Yes	No	NR	NR	NR	Yes
Do these financial reports include the Non-Levy financial transactions/reports?	Yes	No	NR	NR	NR	Yes
If so, does the Board discuss these financial reports?	Yes	No	NR	NR	NR	Yes
Does the Board approve individual purchase transactions made from the Levy account above certain dollar thresholds made by the Evergreen Volunteer Fire Department?	Yes	Yes	NR	NR	NR	Yes
Does the Board approve individual purchase transactions made from the Non-Levy accounts above certain dollar thresholds made by the Evergreen Volunteer Fire Department?	Yes	Yes	NR	NR	NR	Yes
If so, provide examples of types of purchase transactions the Board approves.	1*	2*	NR	NR	NR	NR
Does the Board approve the Levy account annual budget?	No	Not sure	NR	NR	NR	Not Sure
Does the Board approve amendments to the Levy account budget?	No	No	NR	NR	NR	Yes
Does the Board approve the Non-Levy account annual budget?	No	Yes	NR	NR	NR	Yes
Does the Board approve amendments to the Non-Levy account budget?	No	Yes	NR	NR	NR	Yes
Please briefly describe any related party transactions you may have with Evergreen Volunteer Fire Department, if any:	NR	NR	NR	NR	NR	NR
Please briefly describe any conflicts of interest you are aware of, if any:	NR	NR	NR	NR	NR	NR

Board Member Survey Questions and Responses - continued

Additional Explanations Submitted in Survey

Board Member	Response
1	1* Any purchase not a budget line item or over \$5000.00.
2	2* Improvements, initiatives, social hall renovations, Xerox machine, so on
3	NR
4	NR
5	NR
6	NR

Please describe any areas for improvements to internal controls, if any?

Board Member	Response
1	Better budget approvals, Improved budget reporting, Identified budget for non-levy funds rather than just "overflow"
2	NR
3	NR
4	NR
5	NR
6	NR

Please provide a description of your background as it relates to your fire and rescue experience:

Board Member	Response
1	I have been a member of Evergreen since 1996, all of my experience is here.
2	NR
3	NR
4	NR
5	NR
6	NR

If you have any other comments you would like to provide, please feel free to do so.

Board Member	Response
1	We haven't approved the levy budget as there are no changes allowed to it. We have been at level funding the entire time I have been chief.
2	NR
3	NR
4	NR
5	NR
6	NR

Attributes	
NR	No Response

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