

# COMPLIANCE AUDIT

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Allegheny Township Volunteer  
Fire Department,  
Canan Station No. 1 Relief Association  
Blair County, Pennsylvania  
For the Period  
January 1, 2018 to December 31, 2020

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October 2021



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR  
AUDITOR GENERAL

Mr. Scott Richardson, President  
Allegheny Township Volunteer Fire Department,  
Canan Station No. 1 Relief Association  
Blair County

We have conducted a compliance audit of the Allegheny Township Volunteer Fire Department, Canan Station No. 1 Relief Association (relief association) pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and mandated by the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010 (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, for the period January 1, 2018 to December 31, 2020.

The objectives of the audit were:

1. To determine if the relief association took appropriate corrective action to address the finding contained in our prior audit report.
2. To determine if the relief association complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds.

Our audit was limited to the areas related to the objectives identified above and was not, nor was it required to be, conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

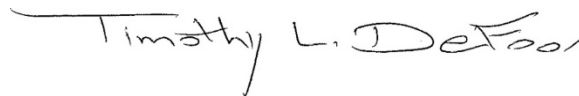
Relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the relief association's administration of state aid and accumulated relief funds complies with applicable state laws, contracts, bylaws, and administrative procedures, including the safeguarding of assets. Relief association officers are responsible for complying with applicable state laws, contracts, bylaws, and administrative procedures. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2020:

- The relief association took appropriate corrective action to address the finding contained in our prior audit report.
- The relief association, in all significant respects, complied with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds, except as noted in the finding listed below and discussed later in this report.

Finding – Failure To Maintain Minutes Of Meetings

The contents of this report were discussed with the management of the relief association and, where appropriate, their response has been included in the report. We would like to thank the relief association officials for the cooperation extended to us during the conduct of the audit.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

September 22, 2021

Timothy L. DeFoor  
Auditor General

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## BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania, Section 403 of The Fiscal Code, Act of April 9, 1929, (P.L. 343, No. 176), and the Volunteer Firefighters' Relief Association Act, as consolidated by the Act of November 23, 2010, (P.L. 1181, No. 118), at 35 Pa.C.S. § 7411 *et seq.*, the Department of the Auditor General's duty is to audit the accounts and records of every volunteer firefighters' relief association to determine that funds received under the Foreign Fire Insurance Tax Distribution Law, Act of December 18, 1984, (P.L. 1005, No. 205), as amended, 53 P.S. § 895.701 *et seq.* (commonly referred to as Act 205), are properly expended.

The relief association is a charitable organization that was formed primarily to afford financial protection to volunteer firefighters and to encourage individuals to participate in volunteer fire service.

Act 118 governs the overall operation of volunteer firefighters' relief associations. Relief association bylaws define the specific operational procedures by which relief associations conduct business. To fulfill its primary purpose, Act 118 authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by Act 118, it is the responsibility of relief associations to choose investments in a proper and prudent manner.

Volunteer firefighters' relief associations receive public tax monies, and the association officers therefore have a responsibility to the public to conduct the association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the association operates in accordance with applicable state laws, contracts, bylaws and administrative procedures.

Act 205 sets forth the computation of the Foreign Fire Insurance Tax Distribution paid to each applicable municipality throughout the Commonwealth of Pennsylvania. The amount of the distribution is based upon the population of each municipality and the market value of real estate within the municipality. Upon receipt of this distribution, the municipality must allocate the funds to the volunteer firefighters' relief association of the fire service organization or fire service organizations that is or are recognized as providing the service to the municipality.

**BACKGROUND – (Continued)**

The relief association was allocated state aid from the following municipality:

Municipality	County	2018	2019	2020
Allegheny Township	Blair	\$34,750	\$38,134	\$38,530

Based on the relief association’s records, its total cash as of December 31, 2020 was \$32,914, as illustrated below:

Cash	\$ 32,914
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Based on the relief association’s records, its total expenditures for the period January 1, 2018 to December 31, 2020 were \$122,714, as noted below. The accuracy of these expenditures was evaluated as part of the Department’s audit to conclude on the relief association’s compliance with applicable state laws, contracts, bylaws, and administrative procedures as they relate to the receipt of state aid and the expenditure of relief association funds.<sup>1</sup> **The scope of the Department’s audit does not include the issuance of an opinion on the accuracy of these amounts.**

Expenditures:

Benefit Services:	
Death benefits	\$ 500
Fire Services:	
Equipment purchased	\$ 20,417
Equipment maintenance	7,201
Total Fire Services	\$ 27,618
Administrative Services:	
Other administrative expenses	\$ 1,436
Bond premiums	960
Total Administrative Services	\$ 2,396
Other Expenditures:	
Payments on loan	\$ 92,200
Total Expenditures	\$ 122,714

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<sup>1</sup> Accuracy was evaluated for a selection of transactions based on dollar amount, category, and/or random selection.

## **BACKGROUND – (Continued)**

The volunteer firefighters' relief association and the affiliated fire service organization are separate, legal entities. The relief association is affiliated with the following fire service organization:

Allegheny Township Volunteer Fire Department

ALLEGHENY TOWNSHIP VOLUNTEER FIRE DEPARTMENT, CANAN STATION NO. 1  
RELIEF ASSOCIATION  
STATUS OF PRIOR FINDING

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has complied with the prior audit finding and recommendation, as follows:

- Inappropriate Ownership Of Rescue Vehicle

By ensuring the title of the rescue vehicle was transferred to the relief association.



ALLEGHENY TOWNSHIP VOLUNTEER FIRE DEPARTMENT, CANAN STATION NO. 1  
RELIEF ASSOCIATION  
FINDING AND RECOMMENDATION

**Finding – Failure To Maintain Minutes Of Meetings**

Condition: The relief association did not maintain minutes of meetings as required by the Volunteer Firefighters Relief Act (VFRA Act) and the relief association's bylaws. The relief association's computer crashed and they were unable to retrieve the 2018 and 2019 meeting minutes. In addition, the relief association's meeting minutes did not address all of the financial related transactions that occurred in 2020. The relief association's bylaws require monthly meeting minutes; however, the relief association officials only provided minutes for nine meetings in 2020 due to COVID-19. Furthermore, the meeting minutes were not signed and dated by the Secretary of the relief association.

Criteria: Section 7415(a) of the VFRA Act states, in part, that the relief association:

. . . must provide for taking and preserving minutes of all meetings and maintenance of such books of account as may be necessary and appropriate to afford a permanent record of its fiscal affairs.

The relief association's bylaws at Article IX, Section I states:

The regular meeting of the association shall be held monthly on the second Tuesday of each month.

In addition, the relief association's bylaws at Article VIII, Section III states, in part:

The Secretary shall keep a record of all proceedings of the meetings of the association in a book provided for that purpose; preserve all books, records, papers, and such other property belonging to the association;

Furthermore, the relief association's bylaws at Article XIV states:

All purchases must be voted on by the membership and put in the minutes of the relief meeting.

ALLEGHENY TOWNSHIP VOLUNTEER FIRE DEPARTMENT, CANAN STATION NO. 1  
RELIEF ASSOCIATION  
FINDING AND RECOMMENDATION

**Finding – (Continued)**

Cause: Relief association officials indicated that the relief association’s computer crashed and they were unable to retrieve the 2018 and 2019 meeting minutes because they did not print out any copies of the meeting minutes or back-up the computer files. Relief association officials indicated that minutes were not available for all months in 2020 because meetings were not held for some months due to COVID-19. The officials did not provide a reason why the minutes that were provided were not signed or dated.

Effect: Without detailed minutes of meetings, evidence that relief association business was presented before the membership for approval does not exist.

Recommendation: We recommend that the relief association officials maintain a permanent record of all relief association meetings as required by the VFRA Act and ensure that the meeting minutes are signed and dated by the Secretary of the relief association. The minutes should also include an adequate record of all financial-related business conducted by the relief association. For further guidance, please refer to the Auditor General’s publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS’ RELIEF ASSOCIATIONS.

Management’s Response: Relief association management agreed with the finding as presented at the audit exit conference and indicated they will take action to comply with the recommendation.

Auditor’s Conclusion: Compliance will be subject to verification through our next audit.

ALLEGHENY TOWNSHIP VOLUNTEER FIRE DEPARTMENT, CANAN STATION NO. 1  
RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

Allegheny Township Volunteer Fire Department, Canan Station No. 1 Relief Association  
Governing Body:

**Mr. Scott Richardson**  
President

**Mr. Tracy Saylor**  
Vice President

**Ms. Carrisa Fedesco**  
Secretary

**Mr. Tommy Fedesco, Jr.**  
Treasurer

A report was also distributed to the following municipality, which allocated foreign fire insurance tax monies to this relief association:

**Ms. Silke L. Morrison**  
Secretary  
Allegheny Township

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).