



**RAWLINSVILLE FIREMEN'S RELIEF ASSOCIATION  
OF HOLTWOOD, PENNSYLVANIA**

**LANCASTER COUNTY**

**COMPLIANCE AUDIT REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2007 TO DECEMBER 31, 2009**



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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 Rawlinsville Firemen's Relief Association of Holtwood, Pennsylvania, herein referred to as Rawlinsville Volunteer Firefighters' 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 the volunteer firefighters' relief association. The relief association's bylaws define the specific operational procedures by which the volunteer firefighters' relief association conducts 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 the volunteer firefighters' relief association 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, which is or are recognized as providing the service to the municipality.

BACKGROUND (Continued)

The Rawlinsville Volunteer Firefighters' Relief Association was allocated state aid from the following municipalities:

<u>Municipality</u>	<u>County</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Drumore Township	Lancaster	\$ 6,757	\$ 7,012	\$ 6,231
East Drumore Township	Lancaster	\$ 3,351	\$ 3,500	\$ 2,481
Martic Township	Lancaster	\$24,214	\$22,379	\$23,895
Providence Township	Lancaster	\$11,259	\$11,652	\$10,570

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

Rawlinsville Volunteer Fire Company

Mr. Charles Grimasuckas, President  
RAWLINSVILLE VOLUNTEER FIREFIGHTERS'  
RELIEF ASSOCIATION  
Lancaster County

We have conducted a compliance audit of the Rawlinsville Volunteer Firefighters' 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, 2007 to December 31, 2009.

We conducted this compliance audit in accordance with *Government Auditing Standards* applicable to performance audits, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if the volunteer firefighters' relief association took appropriate corrective action to address the finding contained in our prior audit report; and
2. To determine if the volunteer firefighters' relief association received and expended state aid and accumulated relief funds in compliance with applicable state laws, contracts, bylaws and administrative procedures.

Our audit was limited to the areas related to the objectives identified above.

Volunteer firefighters' relief association officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Rawlinsville Volunteer Firefighters' 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. In conducting our audit, we obtained an understanding of the volunteer firefighters' relief association's internal controls as they relate to the association's compliance with those requirements and that we considered to be significant within the context

of the audit objectives, and assessed whether those significant controls were properly designed and implemented. Our audit procedures also included tests of documentary evidence supporting the Rawlinsville Volunteer Firefighters' Relief Association's recorded financial transactions, tests of the physical existence of inventories, interviews of selected officials and direct confirmation of the Rawlinsville Volunteer Firefighters' Relief Association's cash, investments, and certain other assets and liabilities as of December 31, 2009, with the custodians of the funds, debtors, creditors, and financial institutions to the extent necessary to satisfy the audit objectives. Additionally, we performed procedures to provide a reasonable assurance of detecting instances of violations of legal and regulatory requirements or violations of provisions of contracts that are significant within the context of the audit objectives.

The results of our audit, for the period January 1, 2007 to December 31, 2009, found the Rawlinsville Volunteer Firefighters' Relief Association did not take appropriate corrective action to address the finding contained in our prior audit report, as detailed below and discussed in the Status of Prior Finding section of this report. In addition, the results of our audit found the Rawlinsville Volunteer Firefighters' Relief Association did not, in all significant respects, receive and expend state aid and accumulated relief funds in compliance with applicable state laws, contracts, bylaws and administrative procedures, as noted in the findings listed below and discussed in detail in the Findings and Recommendations section of this report. The results of our tests also indicated the Rawlinsville Volunteer Firefighters' Relief Association expended funds as presented in the Accompanying Expenditure Information and, as of December 31, 2009, had a cash balance of \$41,147 and no investments.

Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Failure to Maintain a Complete and Accurate Equipment Roster

Finding No. 2 – Undocumented Expenditures

Finding No. 3 – Untimely Deposit of State Aid

Finding No. 4 – Unauthorized Expenditure

Finding No. 5 – Failure to Define Discretionary Benefits/Unauthorized Expenditures

Finding No. 6 – Failure to Maintain a Complete and Accurate Membership Roster

Finding No. 7 – Inadequate Internal Controls

The contents of this report were discussed with the management of the Rawlinsville Volunteer Firefighters' Relief Association and, where appropriate, their responses have been included in the report.

May 5, 2010

JACK WAGNER  
Auditor General



RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
STATUS OF PRIOR FINDING

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The Rawlinsville Volunteer Firefighters' Relief Association has not complied with the following prior audit finding. This finding is noted below and discussed in detail in the Findings and Recommendations section of this report:

- Noncompliance With Prior Audit Recommendation –  
Failure to Maintain a Complete and Accurate Equipment Roster

We are concerned with the volunteer firefighters' relief association's failure to correct the previously reported audit finding. The association management should strive to implement the recommendations and corrective actions noted in this audit report.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Failure to Maintain a Complete and Accurate Equipment Roster

Condition: As cited in our prior three audit reports, the relief association officials did not maintain a complete and accurate roster of equipment owned by the relief association. While a listing of relief association owned equipment was provided, it was incomplete and did not accurately identify equipment owned by the relief association. Specifically, the list of equipment that was provided did not contain all dates of purchase, unit costs, names of suppliers, serial numbers, or final dispositions of sold or damaged items. In addition, evidence indicated that the relief association performed a physical inventory only on relief vehicles. No evidence existed that an annual physical inventory was performed on the other relief association equipment. Since 2001, the relief association has purchased \$197,455 in equipment which has not been properly accounted for on the relief association's equipment roster.

Criteria: Sound business practice dictates the relief association should establish adequate internal control procedures to ensure the maintenance of a cumulative equipment roster of all items purchased by the relief association in order to provide an effective accounting control over the relief association's fixed assets. A cumulative equipment roster of all relief association equipment should include the following:

- Types of equipment purchased;
- Dates of purchase;
- Unit costs;
- Names of suppliers;
- Serial numbers, if applicable;
- Current locations of items;
- Final dispositions of sold or damaged equipment; and
- Evidence of the performance and results of an annual physical inventory.

Cause: Although notified during our prior three audits, relief association officials failed to establish adequate internal control procedures over fixed assets requiring the maintenance of a cumulative equipment roster and the performance of an annual physical inventory of all equipment.

Effect: The failure to properly record all equipment purchases in a detailed equipment roster prevents officials from effectively monitoring the relief association's equipment purchases. In addition, the failure to maintain a detailed equipment roster and perform an annual physical inventory of fixed assets prevents adequate accountability for, and safeguarding of, relief association fixed assets.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Recommendation: We again recommend the relief association officials maintain a cumulative equipment roster of all relief association owned equipment. Furthermore, the relief association should ensure it performs an annual physical inventory of all operable equipment and that the completion of the inventory be sufficiently documented. 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Undocumented Expenditures

Condition: The relief association was unable to provide adequate supporting documentation for the following expenditures:

<u>Date</u>	<u>Check No.</u>	<u>Payee Description</u>	<u>Amount</u>
10/10/07	1117	Fire prevention vendor	\$ 108
10/30/07	1123	Training vendor	125
11/13/07	1120	Fire prevention vendor	95
12/12/07	1130	Maintenance provider	38
03/20/08	1155	Maintenance provider	72
03/20/08	1156	Maintenance provider	24
04/06/08	1160	Training vendor	149
04/11/08	1163	Training vendor	111
08/07/08	1191	Affiliated fire company	4,095
08/29/08	1193	Affiliated fire company	1,450
09/18/08	1197	Training vendor	600
09/18/08	1198	Training vendor	204
09/22/08	1200	Affiliated fire company	1,100
Total			<u>\$ 8,171</u>

Criteria: Act 118 at 35 Pa.C.S. § 7418(a) states:

The Office of Auditor General shall have the power and its duty shall be to audit the accounts and records of every volunteer firefighters' relief association receiving money under Chapter 7 of the Act of December 18, 1984 (P.L. 1005, No. 205), [FN1] known as the Municipal Pension Plan Funding Standard and Recovery Act, as far as may be necessary to satisfy the Auditor General that the money received was or is being expended for no purpose other than that authorized by this subchapter. Copies of all audits shall be furnished to the Governor.

Without adequate supporting documentation, such as invoices, this department is unable to determine whether relief association funds were expended for purposes authorized by Act 118. Furthermore, good business practices dictate that supporting documentation be maintained to verify the propriety of all financial transactions.

Cause: Relief association officials failed to establish adequate internal control procedures to ensure supporting documentation is maintained for all expenditures (see related Finding No. 7).

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Effect: Lack of supporting documentation, such as invoices, made it impossible to determine if the expenditures were made in accordance with Act 118 at 35 Pa.C.S. § 7416(f). In addition, the failure to maintain adequate supporting documentation for relief association expenditures can lead to an increased risk of errors occurring and funds being misappropriated.

As a result of our audit, and subsequent to the audit period, on May 5, 2010, the fire company reimbursed the relief association \$8,171, for the undocumented expenditures.

Recommendation: We recommend that the relief association officials maintain supporting documentation for all future expenditures. 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 3 – Untimely Deposit of State Aid

Condition: The volunteer firefighters' relief association (VFRA) did not timely deposit the following 2008 state aid allocations:

<u>Year</u>	<u>Municipality</u>	<u>Amount</u>	<u>Date Municipality Distributed Aid</u>	<u>VFRA Deposit Date</u>
2008	Martic Township	\$ 22,379	10/06/08	05/05/10
2008	Providence Township	\$ 11,652	10/02/08	05/05/10

Relief association officials stated, “the 2008 state aid was erroneously deposited into a fire company account.” Fire company bank statements indicate deposit dates of October 20, 2008, and October 06, 2008, for Martic Township and Providence Township, respectively.

Criteria: The foreign fire insurance tax allocation was distributed to the municipal treasurer, who forwarded the state aid to the volunteer firefighters' relief association on October 2, 2008 and October 6, 2008, which is within 60 days of receipt, as required by Section 706 (b)(2) of the Act of December 18, 1984, (P.L. 1005, No. 205). Upon receipt of the state aid allocation, the relief association should ensure the funds are deposited into its account in a timely manner.

Cause: The relief association failed to establish internal control procedures requiring that all income received be recorded and deposited into a relief association account in a timely manner.

Effect: As a result of the untimely deposit, funds were not available to pay general operating expenses or for investment purposes. In addition, the untimely deposit of receipts increases the risk that funds could be lost or misappropriated.

Recommendation: We recommend that the relief association officials adopt internal control procedures requiring the timely deposit of all income received into relief association accounts. 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 4 – Unauthorized Expenditure

Condition: During the audit period, the relief association purchased two desktop computers when only one desktop computer is allowable. Therefore, costs associated with the purchase of the second computer for \$1,245 are not authorized by Act 118.

Criteria: Act 118 at 35 Pa.C.S. § 7416(f)(1) states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.

Because the Department of the Auditor General is legislatively prohibited from giving pre-audit advice, an interagency agreement with the Department of Community and Economic Development (DCED) has been established whereby the DCED provides interpretation of Act 118. DCED allows the purchase of only one desktop computer for the relief association. Therefore, the purchase of the second desktop computer has been deemed to not be a normal and reasonable running expense. As such, the payment of \$1,245 for the second computer is not authorized under Act 118.

Cause: Relief association officials were unaware that the expenditure for the second personal computer was not authorized by Act 118.

Effect: As a result of this improper expenditure, relief association funds were not available for investment purposes or to pay for expenditures authorized by Act 118.

As a result of our audit, and subsequent to the audit period, on May 5, 2010, the fire company reimbursed the relief association for the unauthorized expenditure.

Recommendation: We recommend that relief association officials become familiar with Act 118 at 35 Pa.C.S. § 7416(f) to aid them in determining the propriety of future expenditures. 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 5 – Failure to Define Discretionary Benefits/Unauthorized Expenditures

Condition: The relief association failed to formally define and approve discretionary benefits paid to a relief association officer as compensation. During the current audit period, the relief association made nine \$100 payments, totaling \$900, representing compensation to the former relief association treasurer. However, the payments were not documented in the relief association's minutes. Furthermore, the former treasurer to whom the compensation was paid admitted to the state police to stealing \$168,885 in fire company and relief funds from 2003-2009. The former treasurer pleaded guilty to numerous theft counts. As a result, the \$900 paid in officer compensation has been deemed unauthorized. While the insurance company bond policy reimbursed both the fire company and relief association, the relief association's reimbursement totaled only \$518 and did not include the \$900 in compensation noted above.

Criteria: Act 118 at 35 Pa.C.S. § 7416(f)(1) states:

The funds of any volunteer firefighters' relief association may be spent:

- (1) To pay for such normal and reasonable running expenses as may be appropriate to the businesslike conduct of the affairs of the association, including legal fees, rental or purchase of offices, payment of reasonable compensation of employees and purchase of office equipment and supplies.

In addition, Article V Disbursements, Section 1, of the relief association's bylaws states, in part:

All expenditures must be approved by a majority vote at the association's regularly-scheduled meetings.

Also, Article V Disbursements, Section 2, of the relief association's bylaws states, in part:

All disbursements shall be recorded and supporting documentation shall be maintained to verify the disbursements.

Furthermore, prudent business practice dictates that if a relief association chooses to compensate relief association officers, the relief association's bylaws should contain provisions allowing for the payment of compensation to relief association officers. In addition, the amount of the compensation must be approved by the relief association membership during membership meetings and such approval must be documented in the relief association's minutes of meetings.



RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 5 – (Continued)

Cause: Relief association officials were not aware that, in order to compensate a relief association officer, a provision must be included in the relief association's bylaws that allows for the payment of compensation. In addition, since the former treasurer issued the checks to herself and approval of the compensation was not documented in the relief association's minutes, it is unclear as to whether the relief association officers were aware of these payments.

Effect: Since the payments were not documented in the relief association's minutes, no evidence exists that these payments were approved by the association members. As a result of relief association funds, totaling \$900, being spent for unauthorized officer compensation, the funds were not available for investment purposes or to pay for expenditures authorized by Act 118.

Recommendation: We recommend the relief association be reimbursed \$900 for the unauthorized expenditures. In addition, should the relief association wish to compensate relief officers in the future, they must add a provision to the relief association's bylaws allowing for the payment of compensation. Furthermore, the amount paid should be documented in the relief association's minutes of meetings evidencing approval of the membership. 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 6 – Failure to Maintain a Complete and Accurate Membership Roster

Condition: The relief association officials did not maintain a complete and accurate roster of relief association members. Specifically, the membership roster provided only contained the names of the members.

Criteria: Relief association officials should maintain a complete and accurate roster of the relief association's membership, as identified by criteria set forth in the relief association's bylaws. A comprehensive roster of all relief association members should include the following:

- Names of each member;
- Members' mailing addresses;
- Dates of births;
- Dates of memberships; and
- Membership classifications.

In addition, when warranted, a notation should be made on the roster identifying the date of a member's resignation or death.

Cause: Relief association officials were aware that they should maintain a comprehensive roster of relief association members, as prior audit membership rosters included the above required information. However, relief association officials failed to maintain a membership roster with all the required information during the current audit period.

Effect: The failure to maintain a comprehensive membership roster could result in the payment of benefits to nonmembers, or deprive eligible relief association members from receiving authorized benefit payments.

Recommendation: We recommend the relief association officials compile and maintain a complete and accurate roster of the relief association's membership. For additional 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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 7 – Inadequate Internal Controls

Condition: The relief association has failed to establish adequate internal controls. The following serious internal control weaknesses existed during the audit period:

- Undocumented expenditures (Finding No. 2);
- Untimely deposit of state aid (Finding No. 3);
- Unauthorized expenditure (Finding No. 4);
- Inadequate signatory authority – use of rubber stamp for one signature;
- Failure to define discretionary benefits (Finding No. 5);
- Failure to maintain a complete and accurate equipment roster (Finding No. 1); and
- Failure to maintain a complete and accurate membership roster (Finding No. 6).

Criteria: Act 118 at 35 Pa.C.S. § 7415(a) 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.

Furthermore, prudent business practice dictates that:

- Relief expenditures be fully documented;
- State aid be deposited timely into a relief association account;
- Relief funds be used for only authorized purposes;
- Two handwritten signatures are placed on each relief association check, one being the disbursing officer;
- Authority to compensate relief association officers be included in the relief association's bylaws and any amounts paid be documented in the minutes of relief association meetings;
- All relief association owned equipment be recorded on the equipment roster; and
- Relief association maintains a complete and accurate membership roster.

Cause: The relief association failed to establish adequate internal controls to ensure the propriety of expenditures, proper documentation of relief association transactions, and control over relief association assets. The relief association officials were unaware of the relief association's inadequate internal controls.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
FINDINGS AND RECOMMENDATIONS

Finding No. 7 – (Continued)

Effect: The failure to establish adequate internal controls prevented the relief association from adequately safeguarding its assets and resulted in a lack of evidence as to whether relief association business was presented before the membership for discussion and approval. Inadequate internal controls placed the relief association funds at greater risk for misappropriation. Furthermore, the inadequate controls contributed to the theft of relief association funds, as detailed in Finding No. 5, totaling \$518, which consisted of a \$350 check written to cash and a \$168 check written to the former treasurer. The relief association bond insurance company reimbursed the relief association for the stolen funds.

Recommendation: We recommend the relief association officials adopt internal control procedures which will ensure the following:

- Maintenance of adequate supporting documentation for all expenditures;
- Timely deposit of state aid into relief association's accounts;
- Expenditure of relief association funds for only authorized purposes;
- Requirement for two handwritten signatures on all relief association disbursements;
- Amendment of relief association's bylaws if association's intent is pay compensation to relief association officers;
- Maintenance of a complete and accurate equipment roster; and
- Maintenance of a complete and accurate membership roster.

For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION.

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.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
POTENTIAL WITHHOLD OF STATE AID

Conditions such as those reported in Finding Nos. 1, 2, 3, 4, and 5 may lead to a total withholding of state aid in the future unless the findings are corrected. However, such action will not be considered if sufficient documentation is provided within 60 days to verify compliance with this department's recommendations. Such documentation should be submitted by the volunteer firefighters' relief association to: Department of the Auditor General, Bureau of Firefighters' Relief Association Audits, Room 316-D Finance Building, Harrisburg, PA 17120.

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
 ACCOMPANYING EXPENDITURE INFORMATION  
 FOR THE PERIOD JANUARY 1, 2007 TO DECEMBER 31, 2009

Act 118 at 35 Pa.C.S. § 7412 states: a volunteer firefighters' relief association is an organization formed primarily for the purpose of affording financial protection to volunteer firefighters against the consequences of misfortune suffered as a result of their participation in the fire service. The organization may contain within its membership the members of one or more fire companies and may serve secondary purposes, as set forth in this subchapter, but only if adequate provisions have been first made to serve the primary purpose.

Act 118 at 35 Pa.C.S. § 7416 authorizes the investment of relief association funds and outlines the types of benefits and services that can be provided with volunteer firefighters' relief association funds.

Furthermore, all expenditures must be properly authorized as prescribed in the volunteer firefighters' relief association bylaws and approved at an association meeting.

USES OF FUNDS:

Benefit Services:	
Insurance premiums	\$ 3,017
Total Benefit Services	\$ 3,017
Fire Services:	
Equipment purchased	\$ 104,501
Equipment maintenance	15,687
Training expenses	6,195
Fire prevention materials	5,544
Total Fire Services	\$ 131,927
Administrative Services:	
Officer compensation	\$ 900
Other administrative expenses	797
Total Administrative Services	\$ 1,697
Total Investments Purchased	\$ 15,000
Other Expenditures:	
Principal payments on lease-financing	\$ 6,097
Interest payments on lease-financing	469
Undocumented expenditures	8,171
Total Other Expenditures	\$ 14,737

RAWLINSVILLE VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania

Rawlinsville Volunteer Firefighters' Relief Association Governing Body:

Mr. Charles Grimasuckas, President

Mr. Richard Watson, Vice President

Ms. Lori Wedge, Secretary

Mr. Dennis C. Drennen, Sr., Treasurer

The following municipalities allocated foreign fire insurance tax monies to this relief association and received a copy of this report.

Ms. Sharon H. Roth, Secretary  
Drumore Township

Ms. Vickie Kreider, Secretary  
East Drumore Township

Ms. Karen D. Sellers, Secretary  
Martic Township

Ms. Vickie L. Eldridge, Secretary  
Providence Township

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).