

Village of East Syracuse Fire Department Report

Purpose: To perform a review of management’s estimated costs associated with running the Village of East Syracuse Fire Department.

Scope : To determine if management’s estimation of the Fire Contract analysis for fiscal year 2011 was a reasonable representation of the costs for running the Village of East Syracuse Fire Department. This included the Audit Division reviewing direct and indirect costs identified by management.

Background: Each year the Village of East Syracuse and the Town of Dewitt enter into a contract for fire protection services. Whereby the Town of Dewitt pays the Village of East Syracuse an agreed upon amount based on a fire contract analysis completed by Village estimating the total cost of the Village of East Syracuse Fire Department. The Town is billed at 80% of the cost of the Village of East Syracuse Fire Department and the Village absorbs the remaining 20%.

Contract for 2012:

The 2012 contract dated February 20th 2012 had the Town of Dewitt paying the Village of East Syracuse \$1,124,000 for Fire Protection Services for the calendar year.

Total Estimated Costs of the East Syracuse Fire Department for the fiscal year 2011:

	<u>FY 2011 Excluding Capital Reserve</u>	<u>FY 2011 With Capital Reserve</u>
Direct	\$537,688.37	\$537,688.37
Indirect	\$525,933.74	\$525,933.74
Capital Reserve		\$200,000.00
Total	\$1,063,622.11	\$1,263,622.11
 X 80% (Town of Dewitt Share)	 \$850,897.69	 \$1,010,897.69

Note: The Town of Dewitt paid the Village \$1,124,000 for fire protection for the 2011 calendar year.

Findings:

Finding: There were several instances where vouchers were not signed by Department head.

Recommendation: To ensure proper controls the Department sign and approve all vouchers.

Finding: There was an instance where a voucher was paid before the contract was signed.

Recommendation: To ensure proper payment a voucher should not be paid until there is an approved contract.

Finding: In the review of journal entries there were instances where a Board of Trustee member prepared the accounts to be debited/credited in order to move money between accounts.

Recommendation: Proper segregation of duties means the Board member should not be preparing entries to move money between accounts without proper legislative approval.

Finding: Payroll accruals regarding uncompensated absences for the fiscal years 2007-2009 were not being reversed and should be due to the fact these uncompensated absences are paid out each year.

Recommendation: Year-end entries regarding uncompensated absences should be reversing as the offset will be the payout in the subsequent year.

Finding: The recording of the part time caretakers pay is not consistent.

Recommendation: A set policy regarding the recording of these salaries should be set and followed.

Finding: The principal and interest for a lease were co-mingled into one general ledger account.

Recommendation: There should be separate general ledger accounts set up one for principal and another for interest.

Finding: Several vouchers appeared not to have appropriate backup documentation and or invoices.

Recommendation: Vouchers should not be approved or paid without proper supporting documentation.