



Agenda Item XI. B.

Meeting Date: February 21, 2017

Department: Public Safety

Issue: **Financial Audits for volunteer fire and rescue agencies**

Board Action: The Board is being asked to amend the requirements to receive County funds.

Summary: Amherst County volunteer fire and rescue agencies are required to provide the county an audited financial report each year to receive county funds. Currently, each department uses a secondary independent certified accounting firm to conduct the audit which costs each agency approximately \$2500.00 for a total of \$12,500. Each agency pays this cost from the operating expenses they receive from the county which may be better utilized to pay for services to operate their agency. Currently, each agency uses a certified accounting firm to handle their accounting functions on a monthly basis which includes processing all incoming funds as well as writing all checks for expenses.

The treasurer for each agency is responsible for providing all incoming funds and expenses to their agency's accounting firm who then processes so that no accounting transactions are being processed by any member of the agency. These accounting firms require that receipts be provided in order for checks to be disbursed. These certified accounting firms also submit the agencies' tax documents as well as the State Corporation Commission (SCC) documents.

So long as a fire or rescue agency uses an outside accounting firm to perform its internal accounting functions, and does not rely on its own membership to do so, the data compiled by such firms are adequate to meet the county's financial assurance needs. It is an unnecessary expense to the agency's (and therefore County's) budget to require a further, independent audit.

Recommendation: That the Board allow volunteer fire and rescue agencies who use outside accounting firms to perform their internal accounting functions to use financial statements from those firms to satisfy annual County reporting requirements.