



NORRIS VOLUNTEER FIRE DEPARTMENT

Investigative Report
October 20, 2016

Justin P. Wilson, Comptroller





STATE OF TENNESSEE

Justin P. Wilson
Comptroller

COMPTROLLER OF THE TREASURY

STATE CAPITOL
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October 20, 2016

Mayor and City Council Members
City of Norris, Tennessee
20 Chestnut Drive
P.O. Box 1090
Norris, Tennessee 37828

Ladies and Gentlemen:

We conducted a limited review of the Norris Volunteer Fire Department (NVFD) for the period December 1, 2013, through July 31, 2015, to determine whether funds were collected and expended appropriately. The NVFD receives funds from donations and fundraisers. The department employs a staff of six full-time officers and a director of public safety, all of whom are paid by the City of Norris and trained as both police officers and firefighters. In addition, the fire department has approximately 15 volunteer firefighters. On July 1, 2015, all disbursements and collections for the NVFD were reassigned to the City of Norris for oversight and administration.

A finding and recommendation, as a result of our investigation, is presented below. This finding and recommendation has been reviewed with management to provide an opportunity for their response. Also, this finding, recommendation, and management's response has been reviewed with the district attorney general for the Seventh Judicial District.



FINDING AND RECOMMENDATION

FINDING 1 **THE NORRIS VOLUNTEER FIRE DEPARTMENT HAD OPERATING DEFICIENCIES**

We noted the following operating deficiencies in the Norris Volunteer Fire Department (NVFD), which can be attributed to a lack of management oversight. As noted above, on July 1, 2015, all collections and disbursements for the NVFD were reassigned to the City of Norris for oversight and administration.

- A. Management failed to segregate duties adequately among its members or to provide appropriate oversight. The member responsible for maintaining financial records was also involved in collecting, depositing, and/or disbursing funds. Allowing one member complete control over a financial transaction increases the risk of fraud. In addition, the NVFD had no written guidelines governing the use and distribution of its funds.

- B. Receipts were not issued for collections. Therefore, we could not determine if all funds donated by outside parties and collections from fundraisers were remitted to the NVFD.

- C. Some purchases were made with cash. The fire chief wrote department checks to cash and would later use the cash for purchases. Due to the lack of supporting documentation, we could not determine if the use of some of the cash was for legitimate fire department purposes. In addition, checks were issued with only one signature.

RECOMMENDATION

City of Norris officials should provide sufficient oversight of the NVFD, which include the following: duties should be segregated to the extent possible using available resources; written guidelines governing the use and distribution of funds should be on file; official prenumbered receipts should be issued for all collections; all purchases for goods and/or services should be made by check through the city’s official bank account; and all checks should require two authorizing signatures.

MANAGEMENT’S RESPONSE – TIM HESTER, CITY MANAGER, CITY OF NORRIS

We concur.

If you have any questions concerning the above, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/kbh