

# COMPLIANCE AUDIT

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## Volunteer Firemen's Relief Association of the Union Fire & Hose Co. #1 of Dover York County, Pennsylvania For the Period January 1, 2021, to December 31, 2023

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August 2025



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR  
AUDITOR GENERAL

Mr. David Erney, President  
Volunteer Firemen's Relief Association of  
the Union Fire & Hose Co. #1 of Dover  
York County

We have conducted a compliance audit of the Volunteer Firemen's Relief Association of the Union Fire & Hose Co. #1 of Dover (relief association) for the period January 1, 2021, to December 31, 2023. The audit was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania; Section 403 of The Fiscal Code, 72 P.S. § 403; and the Volunteer Firefighters' Relief Association Act ("VFRA Act"), see 35 Pa.C.S. § 7418.

The objectives of the audit were:

1. To determine if the relief association took appropriate corrective action to address the findings 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 association 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, 2021, to December 31, 2023:

- The relief association took appropriate corrective action to address one of the two findings contained in our prior audit report. However, the relief association failed to take appropriate corrective action to address the one remaining finding contained in our prior audit report, as listed below, and discussed in the Status of Prior Findings section of this 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 findings listed below and discussed later in this report.

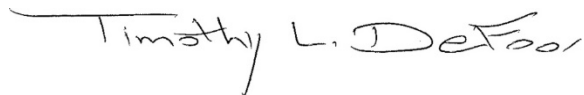
Finding No. 1 – Noncompliance With Prior Audit Recommendation –  
Inadequate Minutes Of Relief Association Meetings

Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of  
Funds

Finding No. 3 – Failure To Retain Minutes Of Relief Association Meetings

Finding No. 4 – Failure To Update The Relief Association Bylaws

The contents of this report were discussed with the management of the relief association and, where appropriate, their responses have 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.



Timothy L. DeFoor  
Auditor General  
July 14, 2025

## CONTENTS

	<u>Page</u>
Background .....	1
Status of Prior Findings .....	4
Findings and Recommendations:	
Finding No. 1 – Noncompliance With Prior Audit Recommendation – Inadequate Minutes Of Relief Association Meetings.....	5
Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of Funds .....	6
Finding No. 3 – Failure To Retain Minutes Of Relief Association Meetings .....	8
Finding No. 4 – Failure To Update The Relief Association Bylaws .....	9
Report Distribution List .....	10

## BACKGROUND

Pursuant to Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania,<sup>1</sup> Section 403 of The Fiscal Code,<sup>2</sup> and the Volunteer Firefighters' Relief Association Act ("VFRA Act"),<sup>3</sup> 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, commonly referred to as Act 205,<sup>4</sup> 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.

The VFRA Act 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, the VFRA Act authorizes specific types of expenditures and prescribes appropriate volunteer firefighters' relief association investment options. Within the parameters established by the VFRA Act, 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 relief association officers therefore have a responsibility to the public to conduct the relief association's financial affairs in a businesslike manner and to maintain sufficient financial records to support the propriety of all relief association transactions. Volunteer firefighters' relief association officers are also responsible for ensuring that the relief 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.

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<sup>1</sup> Pa. Const. Art. VIII § 10.

<sup>2</sup> 72 P.S. § 403.

<sup>3</sup> 35 Pa.C.S. § 7411 *et seq.*

<sup>4</sup> 53 P.S. § 895.701 *et seq.*

## BACKGROUND – (Continued)

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

<u>Municipality</u>	<u>County</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Dover Borough	York	\$8,139	\$9,761	\$9,739

Based on the relief association's records, its total cash as of December 31, 2023, was \$23,108, as illustrated below:

Cash	<u>\$ 23,108</u>
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Based on the relief association's records, its total expenditures for the period January 1, 2021, to December 31, 2023, were \$34,994, 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>5</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:

Insurance premiums	<u>\$ 5,505</u>
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#### Fire Services:

Equipment purchased	\$ 12,529
Equipment maintenance	16,093
Training expenses	<u>300</u>
Total Fire Services	<u>\$ 28,922</u>

#### Administrative Services:

Bond premiums	\$ 390
Officer compensation	120
Other administrative expenses	<u>57</u>
Total Administrative Services	<u>\$ 567</u>

Total Expenditures	<u><u>\$ 34,994</u></u>
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<sup>5</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:

Union Fire & Hose Co. #1 of Dover

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
STATUS OF PRIOR FINDINGS

COMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has complied with one of the two prior audit findings and recommendations, as follows:

- Failure To Maintain Surety (Fidelity) Bond Coverage

By maintaining surety (fidelity) bond coverage in an amount greater than the balance of the relief association's cash assets.

NONCOMPLIANCE WITH PRIOR AUDIT FINDING AND RECOMMENDATION

The relief association has not complied with one of the two prior audit findings. This finding is noted below and discussed in detail in the Findings and Recommendations section of this report:

- Inadequate Minutes Of Relief Association Meetings

We are concerned by the relief association's failure to correct this previously reported audit finding. The relief association management should strive to implement the recommendation and corrective action noted in this audit report.



VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – Noncompliance With Prior Audit Recommendation – Inadequate Minutes  
Of Relief Association Meetings**

Condition: The relief association again failed to maintain detailed minutes of meetings as required by the VFRA Act and the relief association's bylaws. Specifically, the relief association's minutes provided did not address all financial-related transactions that occurred during the audit period. The meeting minutes also did not document attendance, a quorum, or the nominations or elections of relief officers. Furthermore, the meeting minutes were not signed and dated by the recording officer (secretary).

A similar condition was noted in our prior audit report.

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 III, Section 3 states, in part:

The Secretary shall keep a record of the proceedings of all meetings in the minutes. The minutes shall contain the membership's authorization for financial transactions and all other business discussed.

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

...All expenditures must be approved by a majority vote at a regular Association meeting and shall be recorded in the minutes.

Furthermore, the relief association's bylaws at Article III, Section 2 states:

Nominations of Officers shall be made by a Nominating Committee and report to the body at the regular October meeting. They shall be the same for both the Relief Association and the Union Fire & Hose Co. #1 of Dover and they shall be elected for a one (1) year concurrent term. The election will be held at the November meeting with the installation at the January meeting.

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – (Continued)**

Moreover, prudent business practice dictates that the relief association officials should ensure that meeting minutes are signed and dated by the recording officer (secretary).

Cause: The relief association officials indicated that they had turnover in the secretary position for all three audit period years. The officials did not provide a reason why financial transactions were not addressed within the meeting minutes, why the meeting minutes did not document attendance or documentation of a quorum, why the meetings did not document the nominations and elections of officials, or why the secretary of the relief association did not sign and date the meeting minutes.

Effect: Without maintaining detailed minutes of meetings that address all financial-related transactions and that are signed and dated by the relief association secretary, evidence that relief association business was presented before the membership for approval does not exist.

Recommendation: We again recommend that the relief association officials maintain detailed minutes of meetings as required by the VFRA Act and the relief association's bylaws, evidencing the discussion and approval of all financial-related business conducted by the relief association, documenting attendance at relief association meetings indicating whether quorum requirements were met, and documentation of the nominations and elections of officers. We also recommend that the relief association officials ensure that all meeting minutes are signed and dated by the secretary of the relief association to ensure the validity of the meeting minutes. 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: We are concerned by the relief association's failure to correct this previously reported audit finding and strongly encourage timely implementation of the recommendation noted in this audit report.

**Finding No. 2 – Inadequate Signatory Authority For The Disbursement Of Funds**

Condition: During the current audit period, we identified seven of 31 checks drawn on the relief association's checking account that did not contain the proper signatory authority. We also identified three checks in the post audit period drawn on the relief association's checking account that did not contain the proper signatory authority. All checks in the current audit period and post audit period contained the signature of the relief association's disbursing officer (treasurer) but also contained the signatures of an Assistant Treasurer. The Assistant Treasurer, however, is not an approved officer position listed in the relief association's bylaws.

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – (Continued)**

Criteria: Section 7415(c)(3) of the VFRA Act states, in part:

The bylaws shall require that the signatures of at least two officers, one of whom shall be the disbursing officer, shall be required to bind the association by formal contract or to issue a negotiable instrument.

In addition, the relief association's bylaws at Article III, Section 1 states, in part:

The Officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer.

Furthermore, the relief association's bylaws at Article VI, Section 1 states:

The signatures of at least two officers, one of whom shall be the Treasurer, shall be required for the issuance of the Association checks.

Cause: The relief association officials did not provide a reason why this occurred.

Effect: As a result of the relief association officers issuing checks with only one authorized signature, the relief association was not in compliance with the VFRA Act or its bylaws and increased the risk of misappropriations and undetected errors.

Recommendation: We recommend that the relief association officials establish adequate internal control procedures to ensure that the signatures of at least two authorized relief association officers, one of whom shall be the treasurer, are included on all relief association negotiable instruments as required by the VFRA Act and the relief association's bylaws. 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 during the next audit.

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
FINDINGS AND RECOMMENDATIONS

**Finding No. 3 – Failure To Retain Minutes Of Relief Association Meetings**

Condition: The relief association did not preserve minutes for nine of the 12 relief association meetings during calendar year 2022 as required by the VFRA Act and the relief association's bylaws. The minutes of all relief association meetings are to be retained as a permanent record of its business affairs and proof of the relief association's official actions.

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 III, Section 1 states, in part:

Regular meetings of the Association shall be held the first Thursday of each month in conjunction with the regular meetings of the Union Fire & Hose Co. #1 of Dover. A quorum shall consist of eleven members.

The relief association's bylaws at Article III, Section 3 states, in part:

The Secretary shall keep a record of the proceedings of all meetings in the minutes. The Secretary is also responsible for providing representatives of the Dept. of the Auditor General with the Association's minutes in connection with their auditing duties.

Cause: The relief association indicated that the meeting minutes for nine of the 12 meetings held in 2022 were lost when there was a change in the Secretary position.

Effect: Without maintaining detailed minutes of all meetings, there is insufficient evidence that relief association business was documented and presented before the membership for approval.

Recommendation: We recommend that the relief association officials preserve the minutes of meetings as required by the VFRA Act and the relief association's bylaws. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management 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 during the next audit.

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
FINDINGS AND RECOMMENDATIONS

**Finding No. 4 – Failure To Update The Relief Association Bylaws**

Condition: The relief association's existing bylaws contain outdated language related to conducting business based on Act 84 of June 11, 1968, rather than the VFRA Act.

Criteria: Prudent business practice dictates that the relief association update its bylaws to ensure that the relief association conducts its affairs in compliance with the VFRA Act.

Cause: The relief association officials did not provide a reason why it has not updated its bylaws to comply with the VFRA Act.

Effect: As a result of the relief association not updating its bylaws, the relief association may not have conducted its affairs in compliance with the VFRA Act.

Recommendation: We recommend that the relief association officials review and update the bylaws governing its organization and ensure it conducts its affairs in accordance with the VFRA Act. For further guidance, please refer to the Auditor General's publication, MANAGEMENT GUIDELINES FOR VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Management 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 during the next audit.

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION OF THE UNION FIRE & HOSE CO. #1  
OF DOVER  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Joshua D. Shapiro**  
Governor  
Commonwealth of Pennsylvania

Volunteer Firemen's Relief Association of the Union Fire & Hose Co. #1  
of Dover Governing Body:

**Mr. David Erney**  
President

**Mr. David Fritz**  
Vice President

**Ms. Crystal Tuley**  
Secretary

**Mr. Andrew Kroft**  
Treasurer

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

**Ms. Brenda Plowman**  
Secretary  
Dover Borough

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).