Columbia Fire Protection District

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Superior Court of California
County of Tuolumne

BY E. Eubanks
Clerk

09/24/2013

Honorable Judge, Donald Segerstorm
Tuolumne County Superior Court
60 North Washington St
Sonora Ca, 95370

Dear Honorable Judge Donald Segerstorm,

Columbia Fire Protection District has reviewed the findings made by the Grand Jury's 2012-2013 report. At this time we have reviewed the report's findings and recommendations and have outlined them in this letter.

F-1 CFPD's lack of written enforced procurement policies contributed to the loss of valuable and limited resources.

R-1 Establish a formal procurement policy that includes dollar amount limits on purchases and designates employees within those limits. Establish a policy for emergency purchases. California Health and Safety Code Section 13905 allows for the use of a petty cash fund for minor purchases, should the District choose to utilize this provision.

- Columbia Fire in September 2011 established and adopted Standard operating procedures, these SOP's are an outline of day to day operations. The procurement policy is outlined in SOP #26. This policy outlines day to day spending operations (fuel, household expanses, etc.), credit card usage and signatures, and monthly bills. At this time the district will not be utilizing a petty cash fund as of this time it's not needed.

F-2 CFPD did not have a property inventory control to adequately track acquired materials, tools and other minor equipment.

R-2 Expand and maintain an Inventory Control System which, at a minimum, includes the item description, fund source for the purchase, cost and assignment to individuals, buildings or rolling stock.

- This recommendation has been implemented on all portable equipment used and is checked for quantity monthly.

F-3 The lack of Administrative Controls including financial oversight allowed misuse of public funds.

R-3 At each Board meeting a financial balance sheet should be presented. At a minimum the financial balance sheet should include the current cash assets held by the County Auditor's Office, any funds held in financial institutions and petty cash if any. All expenditures and disbursements should also be enumerated. The level of detail of the report must be sufficient to disclose to the Board and the public the financial activities of the District. Retain transaction details as required in California Health and Safety Code Section 13868. Require the District's Financial Officer to be bonded for loss.

- The recommendation has already been implemented with the exception of a petty cash fund that is nonexistent. The financial officer upon receiving the bills issues warrants to be singed at monthly board meetings and then in turned into the county office. At this time we currently keep track of financial records thru the county office, station filing, and a computer based accounting system.

F-4 Routing of CFPD business mail does not have established procedures for logging of mail received. A Grand Jury request for information was held without response for over a month. The explanation provided was that the Board reviews the mail at the monthly meeting. Clear Board directives for administration of necessary time sensitive actions are nonexistent.

R-4 A procedural policy should be developed whereby incoming mail is directed in an efficient manner. Incoming business mail should be stamped with the date received, and routed to the required position. A designated Board member should be informed of mail requiring a more immediate response.

- This recommendation is already been implemented. Mail is checked daily and anything requiring immediate response is directed to the board chair at which time flowing the brown act he/she call a special meeting if discussion is required.

F-5 Hiring of Administrative positions such as a Fire Chief, Administrative Captain or Captain are not subject to pre-employment background checks.

R-5 Develop an Outreach and Recruitment Policy which includes the objective of recruiting and retaining qualified administrative individuals (e.g. professional reference checks and background research at the level appropriate to the position being considered).

- This recommendation has already been implemented. Every position held in the department is required to fill out proper pre-employment forms and medical questioners. Prior to appointment every recruit is to pass a physical agility exam, written exam, and oral board panel. During a review of a successful application the administration staff conducts reference checks, background checks, and employee is enrolled in a department random drug test screening.

F-6 The CFPD is not part of the California Department of Motor Vehicle Pull Notice Program to insure operators of District vehicles maintain satisfactory driving records at the required certification level.

R-6 Enroll the District in the California Department of Motor Vehicle Pull Notice Program (EPN). Establish minimum qualifications for operation of District vehicles. Establish a list of operators of the jointly owned utility vehicle. Establish procedures to ensure those drivers hold valid operator licenses with an acceptable driving record

- The recommendation to enroll in DMV Pull Notice Program has not yet been implemented, but will be implemented within the next 3 months. The recommendation for a list of valid operators has already been implemented and is outlined in the department's drivers training program.

F-7 Investments (deposits) and balances in banking institutions are not routinely disclosed.

R-7 Management of investments (bank accounts) in financial institutions must be publicly disclosed. Government Accounting Standards Board (GASB), Statement No 3 is a reference for investment disclosures. Provide this information at a minimum of quarterly or at the next Board of Director's meeting if the manner or location of the investment or account is changed.

- This recommendation has already been implemented and any and all deposits for the month are given during the monthly board meeting a deposited into the county to make the funds available in its appropriate account.

F-8 Use of the County Counsel's Office should be limited to routine matters, such as the Brown Act, general employment issues and conflict of interest topics. The months of delay at the County Counsel's Office jeopardized recovery and accurate accounting of losses of embezzled funds.

R-8 In the case of a possible criminal matter, such as the alleged embezzlement of funds, the District should contact the Sheriff's Office or the District Attorney's office immediately.

- CFPD agree with the findings

F-9 CFPD retains some funds including donations, gifts and reimbursement in accounts separate from the County Auditor's administration. Some of the accounts only required one (1) signature for fund withdrawal prior to the embezzlement. During our Investigation, the Grand Jury learned that the Board now requires two (2) signatures. There is no formal policy with delegations and limits.

R-9 The District should consider moving all cash accounts to the County Auditor's Office to ensure that a system of checks and balances is in place.

- CFPD disagrees partially with the findings. All donations made to CFPD are deposited into the county. Any and all donations or gifts that the Columbia Firefighters receive are placed into their account that is controlled by 2 officers and a firefighter. This account is held with monies raised by the firefighters for the firefighters to buy comfort items, specialized emergency gear, and scholarship programs. This account is list as a 501c3 and not under the CFPD control.

F-10 There is difficulty in obtaining consistent, verifiable and factual information on the number of current personnel and salaries. Additionally, multiple requests for documentation were required to obtain basic documentation which should be made readily available to the public.

R-10 Develop a master filing system which can be used to locate public documents when requested. Public documents must be provided when requested as required in the California Public Records Act, Government Code Section 6253.

- The recommendation has not yet been implemented but CFPD is working on correcting the filing system that was dis organized as part of the investigation. Upon completion of organized files, CFPD can start the process of a master file.

F-11 The CFPD Board has three (3) members.

R-11 The Board should consider enlarging the number of members to add flexibility and diversity.

- CFPD agrees with the findings and will enlarge the board upon district expansion.

F-12 The Board meeting agendas are posted at the Post Office and Fire Station on Friday afternoon for the regularly scheduled meeting on the first Monday of the month.

R-12 Consider additional means to communicate and give notice to the public on Board meeting agendas and activities. Although the Board is meeting the minimum requirements of the Brown Act, additional outreach and communication with the public could be enhanced through the use of additional methods such as a website, public service announcements and press releases.

- CFPD agrees with the findings however budget constants limit the resources of posting agendas. Currently CFPD has a seat on the Columbia Advisory Council where Fire Department issues are addressed.

F-13 The Board has no membership in larger State wide organizations that support Special Districts.

R-13 Consider membership in an organization such as California Special Districts Association which has many small district members.

- CFPD agrees with the findings however to budget constraints we are unable to seek membership at this time. But will do so with district expansion.

F-14 The Standard Operating Procedures (SOP's) provided to the jury is not dated or signed. It is unclear as to whether it has formal approval from the Board. Review of this document found many missing pages, unfinished sentences, inconsistencies and omissions (e.g. cell phone use in bomb threat zones and a potential liability related to red light and siren usage also known as code three driving). These deficiencies may indicate this is a draft document.

R-14 The Standard Operating Procedures (SOP's) should be finalized and approved by the Board.

- CFPD disagrees with the findings. Department SOP's where approved by the board in September 2011.

Stan Stiener
Chairman C.F.P.D. Board of Directors