

## ATTACHMENT 5 – FINANCIAL STATEMENTS – CULPEPER COUNTY FIRE & RESCUE FINANCIAL CONTROLS

(also includes Little Fork Volunteer Fire & Rescue Company Financial Controls)

ID	Control	Description	Level	Authority
<b>1.0 Culpeper County Government's Annual Financial Audit of Fire &amp; Rescue Companies</b>				
1.1	Annual Audit	Annual audit of Fire and Rescue Company financials. This control is new as of 2014 and a result of Fauquier and Loudon County fire and rescue embezzlements. Every year, two Culpeper fire and rescue companies are audited. Little Fork was audited in 2016 and 2019 with no issues found.	County Government	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Board of Supervisors</li> </ul>
<b>2.0 Culpeper County's Fire &amp; Rescue Association's (CCFRA) Financial Controls</b>				
2.1	Process Control	Reimbursement of operating and capital improvement expenses, by receipt only (any amount), based on Financial Committee approved budgets and review of each Company's expenses and receipts by reps from all Companies.	Fire & Rescue Association	<ul style="list-style-type: none"> <li>• CCFRA Financial Committee</li> <li>• Reps from all Fire &amp; Rescue Cos.</li> </ul>
2.2	Approvals	Each Company submits annual Operating Budget and Capital Improvement Plan to Financial Committee for approval.	Fire & Rescue Association	<ul style="list-style-type: none"> <li>• CCFRA Financial Committee</li> </ul>
2.3	Receipts Required	Each Company is reimbursed quarterly only for pre-approved operating and capital improvement expenses with receipts (any amount). Expenses reviewed against approved budgets.	Fire & Rescue Association	<ul style="list-style-type: none"> <li>• CCFRA Financial Committee</li> </ul>
2.4	Independent Review	Each Company's quarterly reimbursements are reviewed line-by-line and receipt-by-receipt (any amount) by representatives from every Culpeper County fire and rescue company.	Fire & Rescue Association	<ul style="list-style-type: none"> <li>• Reps from all Fire &amp; Rescue Cos.</li> </ul>
<b>3.0 Little Fork Volunteer Fire &amp; Rescue Company's Internal Financial Controls</b>				
3.1	Internal Controls	Internal financial controls are documented in the Little Fork Fire & Rescue Company bylaws and enforced by the Board.	Company	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Independent CPA</li> </ul>
3.2	Operational Approvals	Day-to-day operating expenses must be approved by the Chief.	Company	<ul style="list-style-type: none"> <li>• Chief</li> </ul>
3.3	Administrative Approvals	Administrative expenses must be approved by the President of the Board.	Company	<ul style="list-style-type: none"> <li>• President of Board</li> </ul>
3.4	Centralized Payments	Only the Treasurer remits payments for approved expenses.	Company	<ul style="list-style-type: none"> <li>• Treasurer</li> </ul>
3.5	Shared Accountability	"Financial control triad" – President, Chief, Treasurer – oversee all accounts, expenses, revenues.	Company	<ul style="list-style-type: none"> <li>• Chief, President of Board, Treasurer</li> </ul>
3.6	Reporting	Treasurer reports monthly on all accounts, expenses, and revenues to the Board as well as the Company's members.	Company	<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Full Members</li> </ul>
3.7	Independent Review	Independent CPA conducts line-by-line, receipt-by-receipt annual review of all accounts and submits IRS Form 990.	Company	<ul style="list-style-type: none"> <li>• Independent CPA</li> </ul>