Minutes
Justice & Public Safety Committee Meeting
Tuesday, March 28, 2023
6:00pm

The Committee met on the above date for a Justice & Public Safety Committee Meeting at 6:00pm in the large conference room at the Heckle Complex, 1070 Heckle Boulevard, Rock Hill, SC. The following members were present: Council member Allison Love, Council member Debi Cloninger and Council member Tommy Adkins. Also present were County Manager, David Hudspeth and County Attorney, Michael Kendree.

Aaron Seigler, Auditor/Internal Auditor and Morris Russell, Director of Fire Services also attended.

Council member Tommy Adkins called meeting to order

County Manager, David Hudspeth provided an overview of the Agreed Upon Procedures (AUP) from the External Auditor, Elliott Davis from December 2022. Mr. Hudspeth explained that all seven fire tax districts were evaluated and provided recommendations to staff and management.

Aaron Seigler, Auditor/Internal Auditor reviewed the recommendations from Elliott Davis and presented the recommendations from York County's Internal Audit department.

Payroll/Human Resource Recommendations

1) Formal controls and procedures over human resources and payroll are adopted by all Districts, consistent with those of the County.
2) A formal process for establishing pay rates is adopted by each District, consistent across all Districts and within the practices of the County.
3) A single payroll provider is established.
4) Payroll is funded, paid and processed consistently across all Districts.
5) Benefits are consistent with those of the County.
6) Payroll registers and bank statements must be reconciled and submitted to the County on a regular basis for proper recording.
7) Cash on hand designated for payroll must not exceed a set amount, agreed upon by each District and the County.

Internal Audit agrees with all recommendations made by Elliot Davis in regards to Payroll/Human Resources. Internal Audit is recommending that all payroll and human resource functions be completed by the County. All controls, consistency, reconciliations, payroll processing, benefits mirroring from District to District is recommended and implemented by the County doing these administrative functions. This would ensure all recommendations above are handled appropriately.

Expense Cycle Recommendations

1) Formal controls and procedures over expenditures are adopted by all Districts, consistent with those of the County.
2) All non-recurring purchases are made by the County.
3) Recurring expenditures (i.e. fuel, utilities) paid by the District, must be paid and processed consistently across all Districts.
4) All expenditure detail must be reported to the County on a regular basis for proper recording.
5) All long-lived assets, including buildings, vehicles, and equipment are recorded and accounted for by the County.

Internal Audit agrees with all recommendations made by Elliot Davis in regards to expenses. Internal Audit is recommending that all accounts payable be approved by the Fire Services Director (or designated personnel) and then processed by the County. This ensures all controls, recording, and procurement policies are followed. All above recommendations are handled appropriately by the County performing these administrative functions.

Revenue Cycle Recommendations

1) Formal controls and procedures over revenues are adopted by all Districts, consistent with those of the County.
2) A formal policy over banking and cash management is adopted by all Districts, consistent with the County's practices.
3) All bank statements must be reconciled monthly and submitted to an independent party, i.e. Fire Services Director, for review.
4) Cash on hand, from all sources, must be reconciled with the budget and County records regularly.

Internal audit agrees with all recommendations made by Elliot Davis in regards to revenues. It is recommended by Internal Audit, all revenues (all fund appropriated to, raised by, and expended by) for the Districts are handled by the County. This would ensure all controls, policies, reconciliations, cash management, etc. is consistent across Districts. All above recommendations are handled appropriately by the County performing these administrative functions.

Budget Cycle Recommendations

1) Formal controls and procedures over the budget are adopted by all Districts, consistent with those of the County.
2) A budget must be maintained for all revenue sources.

Internal Audit agrees with all recommendations made by Elliot Davis in regards to budgets. Internal Audit recommends that all Districts adopt a formal budget process consistent with County practices. Budgets should be approved by the Fire Services Director. It is recommended that all revenue sources (including fund raisers) be budgeted for by the Districts as well. These recommendations ensure all recommendations above are handled appropriately.

Board Oversight Recommendations

1) All board minutes are uploaded to the York County website.
2) Board meeting schedules are posted to the York County website.

Internal Audit agrees with all the recommendations made by Elliot Davis in regards to Board Oversight. This was previously recommended by Internal Audit during the Boards and Commissions review. This would ensure not only that Elliot Davis's recommendations are followed, but also all State laws as well regarding agendas and minutes with board meetings.

General Recommendations

1) Policies and agreements are examined for consistency and cost efficiency across Districts.
2) A formal policy on District non-profits and other created entities is adopted by the Districts and the County that includes all non-profits or entities created for the sole benefit of the Fire District are to be subject to the same oversight, controls, and procedures as the Individual Fire Districts.

Internal Audit agrees with all the recommendations made by Elliot Davis regarding general recommendations. By the County performing the majority of the administrative functions noted above, procurement may be able to find cost savings by providing consistency across all Districts. All non-profits associated with the Fire Districts should be held to the same level of controls, etc. to ensure the most efficient use of all District funds, etc.

Fire District's Nonprofits

1) A formal policy on District non-profits and other created entities is adopted by the District's and the County that concludes all non-profits or entities created for the sole benefit of the Fire District are to be subject to the same oversight, controls, and procedures as the individual Fire Tax Districts.

It is Internal Audit's recommendation that all non-profits and/or other created entities for the benefit of the Fire Tax District be subjected to the same oversight, controls, and procedures as the individual Fire Tax District. The following policy below is recommended to ensure these entities operate under the same guidelines as the Fire Tax District it supports.

Summary

Internal Audit is recommending the majority of all administrative functions be handled in house by the County. This would ensure all policies, controls, reconciliations, etc., are all handled consistently across all Districts. This also ensures all transactions are recorded appropriately and adds a level of approval with the Fire Service Director. These changes may result in an ordinance change and will need to be investigated further. In addition, the County's audit will receive a finding in the future if no changes are made to the current controls and procedures related to the Fire Districts.

Steve Tripi, Bethel Fire Tax Board Chairman asked a few questions to staff regarding tangible goods that are donated, insurance, 401(k), agendas and minutes, process for PO's, and timeline for implementation.

Bill Dunlap, Chief of Oakdale Fire Department addressed the Committee regarding his concerns with the proposed recommendations. Chief Dunlap said that audits should have been done internally every year but they stopped several years ago. Chief Dunlap is also against having to turn in fundraiser money.

Carl Faulk, Chief of Newport Fire Department addressed the Committee regarding his concerns with the proposed recommendations. Chief Faulk would like to sit down with staff and management and discuss exactly what needs to be done with their finances and help them correct any problems.

Motion was made by Council member Allison Love and seconded by Council member Debi Cloninger to continue this discussion at another meeting. Motion Carried.

County Manager, David Hudspeth suggested that management and staff meet with each fire department prior to the next meeting to discuss the recommendations further. Committee members are in favor of that happening.

David Jennings, Chief of Flint Hill Fire Department addressed the Committee regarding his concerns with the proposed recommendations. Chief Jennings stated that he feels like they are being accused of wrongdoing and not following the procurement process.

Tommy White, Chief of Lesslie Fire Department addressed the Committee regarding his concerns with the proposed recommendations. Chief White stated that his biggest issue is that he cannot purchase some items, which he has the money for in his budget, without going through the procurement process, which slows down the process.

Discussion regarding the stipend program

County Manager, David Hudspeth explained that in the spring of 2022, York County Fire Chief's Association presented a request to the Fire Services Director to change the current earnings formula for the York County Stipend Program as previously approved by Council. The following changes were requested and approved by the Fire Advisory Committee with the Fire Services Director voting in opposition:

- Participants may receive funding from only their primary department and are therefore ineligible to receive funding for calls from other department for which they volunteer
- Participants will earn equal amounts per call based on annual funding as approved by County Council. All responders will receive the same value for each call.
- Participants will not be credited for training exercises as part of the Stipend Program
- Participants will receive response credit as approved by the Chief of the Department
- Stipend Program funding will be evaluated and recommended by County Management and the Fire Advisory Committee in the annual budget process and approved by County Council. This may increase/decrease the value of each response per participant, based on the overall incident response volume.

York County Management, York County Fire Advisory Committee, and York County Fire Chief's Association recommends the aforementioned changes as requested by the York County Fire Chief's Association and approved by the York County Fire Advisory Committee. These changes to the Stipend Program will simplify the current earnings formula by totaling all responses by each participant through the end of the previous year, then dividing that sum into the total funding approved by County Council. Once this is completed, a numerical value will be assigned for a single response then multiplied by each participant's total response number. Credit previously received for training, longevity, and/or rank will no longer apply.

Motion was made by Council member Allison Love and seconded by Council member Debi Cloninger to recommend to full council the stipend program as discussed. Motion Carried.

There being no further discussions, a motion was made by Council member Allison Love and seconded by Council member Tommy Adkins to adjourn the meeting.