



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Smithville Area Fire Protection District

Incentive Payments	The Smithville Area Fire Protection District paid \$209,072 in year-end incentive payments (including fringe benefits), to all full-time district employees (including the Fire Chief and Assistant Fire Chief) between December 2011 and December 2015. These payments are likely bonuses and in violation of the Missouri Constitution, because they are not part of a formal pay plan and seem to represent additional payments for services previously rendered because there is no documentation of additional hours worked by district employees to support the payments.
Fire Station #3	The Board authorized the issuance of general obligation bonds in 2015 with the proceeds to be used for the construction of a new fire station, Station #3, at a cost of approximately \$1.8 million. However, the Board did not ensure the district had sufficient funding available to staff the station and cover ongoing and future operational and maintenance costs associated with it. Additionally, the district did not retain any documents related to preplanning and development of the station.
Firefighter Safety and Training	The district has not established adequate policies and procedures for firefighter safety and health, training, and respiratory protection. The district has not established a written occupational safety and health program or a written training, education, and professional development program. The district has not implemented a written respiratory protection program and has not performed testing on respirators as recommended by the manufacturer.
Procurement Procedures and Contracts	Controls and procedures over procurement and district contracts need improvement. The district has not established policies and procedures for the selection of vendors providing professional services. In addition, the district did not solicit requests for proposals for various professional services, has not periodically conducted a competitive selection process for various professional services, and did not always enter into written contracts with the providers selected. The district does not have a formal bidding policy and bids were not solicited for several purchases.
Accounting Controls and Procedures	Weaknesses exist with the district's accounting controls and procedures. The Board has not established adequate segregation of duties and review processes over the various financial accounting functions performed by the Fire Chief and Administrative Assistant. The district does not have procedures to follow up on and resolve differences between accounting records and bank reconciliations timely. Significant weaknesses exist in the district's procedures for receipting monies and making deposits.
Disbursements	Controls and procedures over district travel and training expenditures, credit card purchases, and payment for local meals need improvement. The district incurred unnecessary travel and training costs due to the former Fire Chief traveling to the location of but not attending a conference. In addition, the district paid excessive travel advances for meals and incidental expenses to district employees. The district did not maintain adequate documentation to support some disbursements made using district credit cards and district review procedures for credit card purchases need improvement. The Board has not established a policy for providing employee meals while not on travel status.

Sunshine Law	The Board's procedures for complying with the Sunshine Law, maintaining minutes of meetings, and retaining copies of certain email messages need improvement. The Board did not comply with state law regarding meeting minutes and closed sessions. The district did not retain adequate documentation to support certain Board decisions and meeting minutes do not typically include Board discussions held to support decisions made. The district has not adopted a written policy regarding public access to district records as required by state law. The district does not send the Fire Chief (the custodian of records) copies of email messages that are considered to be a public record under state law.
District Policies And Procedures	District policies and procedures need improvement. The Board has not established written bylaws or other formal policies and procedures for the administration of the district. The district's Standard Operating Guidelines, which serve as a guide for operations within the district and are designed to assist employees in performing their job duties, do not include guidelines to address certain important issues. The Board did not prepare annual budgets for all district funds as required by state law and budget documents did not include all statutorily required information.
District Property and Vehicle Usage	Controls and procedures over district property and vehicle usage need improvement. District procedures for the maintenance and repair of vehicles and equipment are not adequate. The district's employment contract with the former Fire Chief stated the district must provide him with a vehicle and fuel to be used for district business and personal use. However, the contract did not include language that limited or further explained allowable/unallowable personal use and any associated record-keeping or reporting requirements. The district has not developed procedures to identify capital asset purchases and dispositions throughout the year and records to account for district property are not adequate.
Employment Contracts	The district entered into multi-year employment contracts without terms allowing the district to terminate the employee for reasons other than for cause.
Electronic Data Security	The district does not have security controls in place to lock computers after a specified number of incorrect logon attempts. In addition, the district does not periodically test for recovery of data from backup files.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.