



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Carroll County Ambulance District

Misappropriated Money	<p>From June 1, 2020, through March 31, 2021, money totaling at least \$91,794 was misappropriated from the district. Payroll overpayments totaling \$54,530 and questionable mileage reimbursements totaling \$1,945 were paid to the Director. The Director also misappropriated \$4,021 from a district employee benefit reimbursement account and used a district credit card for personal purchases totaling \$108. The Director also improperly authorized 19 payroll overpayments totaling \$29,560 to 15 district employees between November 29, 2020, and January 23, 2021, and a final payment of \$1,630 to a district employee in July 2020.</p>
Oversight and Segregation of Duties	<p>The Board of Directors did not provide adequate oversight of the Director or establish segregation of duties over the various financial accounting functions. The Board did not adequately monitor the district's payroll and disbursements activity.</p>
Payroll Controls and Procedures	<p>The Board did not enter into a written employment contract with the Director. Time records and time summaries prepared by the Director were not always accurate and sometimes lacked adequate detail, and the Board did not review the Director's time records and summaries. The Board did not review or approve payroll transactions or reports. The district did not maintain complete personnel files for all district employees. The Board did not approve employee salary change notification forms. Mileage reimbursements exceeded the amounts authorized by the Board, and mileage forms other than those approved by the Board, were used. In addition, mileage reimbursement forms did not require the employee to indicate where they traveled, in order to ensure mileage claimed was reasonable. The Director revised district holiday, sick leave benefit, and bereavement leave policies in August and September 2020, without Board approval.</p>
Disbursements	<p>The district does not have a formal approval and bid policy, including procedures for sole source procurements or emergency purchases. Bids, or reasons for only obtaining one bid, were not documented for several purchases of goods or services, and the Board did not authorize significant purchases of medical supplies. Board members considered some of the Director's purchases to be unnecessary. The Director made improper personal purchases using the district's credit card and the district has not adopted formal credit card policies and procedures, including who has the authority to increase monthly credit card limits and appropriate use for credit cards.</p>
Sunshine Law	<p>Closed meeting minutes did not include sufficient details of the topics discussed to demonstrate compliance with statutory provisions, and on at least 2 occasions, records of the votes taken were not documented. In addition, Board meeting minutes were not always signed. The Missouri Attorney General's Office filed a civil lawsuit against the district in the Circuit Court of Carroll County on April 9, 2021, for violations of 3 counts of the Sunshine Law.</p>
Passwords	<p>Employees share passwords to access computer systems and are not required to keep passwords confidential, which increases the risk of unauthorized access.</p>

Electronic Communication Policy	The district has not developed a records management and retention policy in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.
Capital Assets	The district does not maintain current, complete, and detailed records of capital assets. The district has not updated its capital asset list to include capital assets purchases since at least 2018. The district also does not tag or otherwise identify capital assets as property of the district, or perform an annual physical inventory of district property.

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.



Recommendations in the audit of the Carroll County Ambulance District

Misappropriated Money	The Board of Directors work with law enforcement officials regarding criminal prosecution of the improper overpayments, questionable and improper reimbursements, and improper purchases; and take the necessary actions to obtain restitution.
Oversight and Segregation of Duties	The Board of Directors segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
Payroll Controls and Procedures	<p>The Board of Directors:</p> <ul style="list-style-type: none">3.1 Ensure employment contracts are executed with the Director.3.2 Ensure the Director's time records and summaries are reviewed for completeness and accuracy and properly approved.3.3 Ensure payroll reports are prepared and the Board's review is documented.3.4 Maintain complete personnel files for all district employees.3.5 Ensure salary changes are approved.3.6 Ensure mileage reimbursement forms are adequately detailed to indicate where the employee was traveling to and from, Board approved mileage forms are used, and mileage is reimbursed in accordance with district policy.3.7 Ensure all personnel policy changes are approved.
Disbursements	<p>The Board of Directors:</p> <ul style="list-style-type: none">4.1 Establish formal bidding policies and procedures, including documentation requirements regarding bid specifications, the bids or quotes received, and justification for bids selected. The Board should also document its approval of significant disbursements in meeting minutes and by signing or initialing the monthly list of bills, and ensure disbursements are a necessary use of public funds and provide a benefit to the district.4.2 Establish complete and detailed written credit card policies and procedures. In addition, periodically evaluate the need for each credit card issued and adjust employee credit card limits as deemed appropriate.
Sunshine Law	The Board of Directors ensure the purpose, contents, and other necessary information is included in closed meeting minutes; closed meeting votes are documented; and meeting minutes are signed.

Passwords	The Board of Directors require confidential passwords to prevent unauthorized access to district computers and data.
Electronic Communication Policy	The Board of Directors develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.
Capital Assets	The Board of Directors ensure complete and detailed capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.