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FOLLOW-UP REPORT ON AUDIT FINDINGS

Carroll County Ambulance District

Report No. 2025-037

June 2025

auditor.mo.gov

Carroll County Ambulance District

Follow-Up Report on Audit Findings

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*Includes selected findings



SCOTT FITZPATRICK
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Board of Directors
Carroll County Ambulance District
Carrollton, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2022-108, *Carroll County Ambulance District*, (rated as Poor), issued in November 2022. The objectives of the follow-up were to:

1. Identify audit report findings for which follow up is considered necessary, and inform the ambulance district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the work conducted, we reviewed documentation provided by the Business Office Manager and the Director and held discussions with the Business Office Manager and the Director to verify the status of implementation for the recommendations. Documentation provided by the ambulance district included Board meeting minutes, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during May 2025.

Scott Fitzpatrick
State Auditor

Carroll County Ambulance District

Follow-Up Report on Audit Findings

Status of Findings

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| 1. Misappropriated Money | From June 1, 2020, through March 31, 2021, money totaling at least \$91,794 was misappropriated from the district. |
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Between July 16, 2020, and March 10, 2021, the former Director improperly claimed 642 hours of overtime that resulted in \$35,150 in improper overtime payments. The former Director also improperly approved the issuance of a \$15,000 payment to himself on December 30, 2020, and improperly approved payments to himself, totaling \$4,380, for 72 holiday hours at time and one-half. The former Director claimed 3,500 miles of travel and was reimbursed \$1,945 for mileage between October 2020 and January 2021. The Board did not review or approve the 4 reimbursement requests and documentation was not adequate. The former Director improperly authorized the creation of an employee benefit reimbursement account and owed the Carroll County Ambulance District (CCAD) \$4,021 for reimbursements received. Additionally, the former Director charged \$108 in questionable shipping charges with the district's credit card on March 2, 2021, the day before his termination. The Director also improperly authorized payroll payments totaling \$29,560 to 15 district employees between November 2020 and January 2021, and a final payment of \$1,630 to a district employee in July 2020.

Recommendation

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.

Status

Implemented

The Board was working with law enforcement officials and the Prosecuting Attorney's office for the criminal prosecution and was attempting to obtain restitution. In September 2024, the former Director was charged with a class C felony of stealing \$25,000 or more. However, the former Director passed away in October 2024 and the charges filed were nolle prosequi. Restitution had not been obtained as of the time of his death. Additionally, the current Director indicated the district was unable to recover any money from a bond, insurance policy, or the former Director's estate.

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- | | |
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| 2. Oversight and Segregation of Duties | |
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The Board did not provide adequate oversight of the former 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.

Recommendation

The Board of Directors segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.



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Status

Implemented

The Board has segregated accounting duties to the extent possible. The Business Manager presents invoices and checks to be signed to the Treasurer. The Treasurer, who is a Board member, reviews the invoice and signs the check along with the Board President. The Board reviews reports detailing payroll and other disbursements, and budgeted versus actual spending and approves all disbursements.

3. Payroll Controls and Procedures

District payroll policies and procedures needed improvement.

3.1 Employment contract

The Board did not enter into a written employment contract with the former Director. Between June 16, 2020, and March 10, 2021, the district paid the Director \$117,164, including \$44,348 in overtime, \$5,256 in holiday pay, and \$15,000 for retention and reimbursement of personal health insurance costs, without a written contract documenting his compensation or employment classification.

In July 2020, the Board passed a motion authorizing the former Director be paid \$75,000 annually; however, there was no formal approval for compensation in excess of this.

Recommendation

The Board of Directors ensure employment contracts are executed with the Director.

Status

Implemented

We reviewed the current Director's employment contract, and found that it details employment conditions, expected work hours, pay, and benefits.

3.2 Time records

Time records and time summaries prepared by the former Director were not always accurate and sometimes lacked adequate detail. In addition, the Board did not review the former Director's time records and summaries.

Recommendation

The Board of Directors ensure the Director's time records and summaries are reviewed for completeness and accuracy and properly approved.

Status

Implemented

According to the Director and the Business Office Manager, the district has implemented a timekeeping system that is used by all employees. The time records for all employees are verified and signed off on by the Director and the Business Office Manager. The Board reviews payroll amounts and details, approves payroll, and the Treasurer signs off on payroll disbursements. The



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Board receives a breakdown of the Director's hours as part of the packet provided for Board meetings.

3.3 Board review and approval process

The Board did not review or approve payroll transactions or reports. From June 2020 through March 2021, the former Director did not provide payroll or direct deposit reports for the Board's review in their monthly meeting packets. The only payroll information provided to the Board was summarized in a budget to actual financial report.

Recommendation

The Board of Directors ensure payroll reports are prepared and the Board's review is documented.

Status

Implemented

We reviewed the records provided to the Board for the April 15, 2025, meeting and they included payroll reports. Board approval is documented in the meeting minutes, and the Treasurer signs off on the reports.

3.4 Personnel files

The district did not maintain complete personnel files for all district employees. Some files were missing W-4 forms, I-9 forms, application forms, copies of driver licenses, drug screening forms, and copies of professional licenses, while other employee personnel files included these records.

Recommendation

The Board of Directors maintain complete personnel files for all district employees.

Status

Partially Implemented

We reviewed 3 personnel files and noted one file was missing an employment application. The Director indicated that in the past, he was not verifying personnel files for completeness. According to the Business Office Manager and the Director, the district is currently working on establishing a digital personnel file system and is reviewing files for any missing or expired documents. Currently personnel files are only maintained in paper form.

3.5 Salary change notification

The Board did not approve employee salary change notification forms. The former Director authorized wages for himself and 4 other employees higher than what was approved by the Board. No explanation was included on the salary change notification forms justifying the increase in pay and the forms were not approved by the Board. In a recorded interview the former Business Office Manager indicated she prepared the Director's Salary Change Notification form based on his statement that the Board approved a \$36.50 rate of pay.

Recommendation

The Board of Directors ensure salary changes are approved.



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Status

Implemented

We reviewed salary change notification forms for 3 employees and noted that the Business Manager, the Director, and a Board member signed each form. The current Director's salary agreed with his approved contract, and no changes to his salary have been made since he was hired.

3.6 Mileage
reimbursements

Mileage reimbursements exceeded the amounts authorized by the Board. In addition, mileage reimbursement forms did not require the employee to indicate where they traveled, in order to ensure mileage claimed was reasonable.

Recommendation

The Board of Directors 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.

Status

Implemented

We reviewed the Board approved revised mileage reimbursement form and noted it includes space for the reason for travel and for the mileage reimbursement rate. However, the district has not reimbursed any mileage since the audit.

3.7 Personnel policies

The former Director revised district holiday, sick leave benefit, and bereavement leave policies without Board approval.

Recommendation

The Board of Directors ensure all personnel policy changes are approved.

Status

Implemented

The current Director indicated the Board approves any personnel policy change that results in a financial obligation to the district and he approves any other personnel policy changes. Both approvals are recorded in the meeting minutes. We reviewed a policy that was changed on April 25, 2025, by the Board and noted all the members had approved and signed off on the new policy. We also reviewed the employee policy manual that was last updated on April 30, 2025, and noted 3 policy changes. We reviewed the associated meeting minutes and noted the Director notified the Board of the changes and the Board approved the changes.

4. Disbursements

District disbursement policies and procedures needed improvement.



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4.1 Procurement, Board review and approval, and unnecessary purchases

The district did 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 during the period June 1, 2020, through March 31, 2021. In addition, the Board did not authorize significant purchases of medical supplies and some purchases of medical equipment were unnecessary.

Recommendation

The Board of Directors 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.

Status

Partially Implemented

The Board established a bidding policy; however, the policy does not address documenting bid specifications, the bids or quotes received, or the justification for bids selected. The Board documents its approval of all disbursements in the meeting minutes, but does not sign or initial the monthly list of bills as recommended. We reviewed one month of disbursements that were presented to the Board, and all appeared to be necessary uses of public funds that benefited the district.

4.2 Credit cards

The former Director made improper personal purchases using the district's credit card, and the district had not adopted formal credit card policies and procedures, including who had the authority to increase monthly credit card limits and appropriate use for credit cards. Between August and October 2020, the Director increased the monthly credit card limits from \$4,100 to \$20,000, and \$1,500 to \$5,000, without approval, which allowed greater purchasing authority.

Recommendation

The Board of Directors 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.

Status

Partially Implemented

The Board has established written credit card policies and procedures. However, according to the current Director, credit card limits have not been recently evaluated or adjusted.

5. Sunshine Law

Some closed meeting minutes did not include sufficient details of the topics discussed to demonstrate compliance with statutory provisions, and some



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records of the votes taken were not documented. Additionally, some Board meeting minutes were not signed.

Recommendation

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.

Status

Implemented

We reviewed minutes for 2 meetings and noted the closed meeting minutes included sufficient details of the topics discussed, votes were documented in the minutes, and the minutes were signed by the Board Secretary.

6. Passwords

Employees shared passwords to access computer systems and were not required to keep passwords confidential. District personnel recorded passwords in a password book kept in the district safe. Three employees had access to the safe and the password book.

Recommendation

The Board of Directors require confidential passwords to prevent unauthorized access to district computers and data.

Status

Implemented

The Business Office Manager and the current Director indicated district employees now have confidential passwords for logging into their computer systems.