



**Williamson County
Auditor's Office
Red Internal
Audit Report**

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Liberty Hill Fire Department

Audit Report

Background

Liberty Hill Fire Department (LHFD) started as a volunteer department and evolved into a paid fire department in 2001/2002. LHFD currently employs three administrative staff, including a Fire Chief (FC), Assistant Fire Chief, and Administrative Assistant/EMS Coordinator (AA), three captains, and six full time firefighters. In addition, there are several paid part time positions and volunteer positions. The firefighters and captains work shifts of 24 hours and have the next 48 hours off.

Williamson County Emergency Service District (ESD) #4 has a yearly agreement with LHFD to provide emergency services to all persons and property in the district; in return the ESD pays LHFD to provide these services. ESD #4 receives its money from tax revenue collected from property owners within this service district. In FY 07/08 the ESD paid LHFD \$775,231 and are expected to pay the department \$988,764 in FY 08/09. In addition, Williamson County paid LHFD \$34,000 in FY 07/08.

Scope: October 2007 to December 2008 financial related activity, where noted in the methodology the scope was expanded.

Objectives

To Verify:

- credit card expenditures are supported by detailed receipts and are for valid operating expenses.
- general checking account expenditures are supported by detailed receipts and are for valid operating expenses.
- sale tax, finance charges, and late fees are not being paid.
- per diem allowances for meals are paid at the appropriate rate.
- tools, computers, and miscellaneous items purchased through department funds can be physically verified.
- purchases on Dell computer accounts are supported by detailed receipts and are for valid operating expenses.
- bulk gasoline and diesel purchases for station tanks are logged and accounted.
- gas card purchases are supported by detailed receipts, including a mileage log, and are for valid operating expenses.
- timesheets are filled out correctly and pay stubs accurately reflect timesheets. Paid time off (PTO), holiday pay or banked time, and overtime are accurately calculated.
- petty cash fund is properly accounted.
- internal controls are in place to mitigate risk.

Methodology

- Reviewed expenditures from two credit cards for detailed receipts and explanation. Conducted interviews with several firefighters.
- Reviewed checks for detailed receipts and explanation. Additional checks were reviewed and are reported on in their corresponding section.

- Reviewed all receipts and invoices for any sale tax, finance charges, and late fees accessed. Compared receipts and invoices to payments.
- Reviewed checks written for per diem allowances and compared with travel documentation.
- Conducted inventory of tools, computers and miscellaneous items purchased. Scope was expanded to include 2006 purchases.
- Reviewed Dell invoices and payments. Scope was expanded to include 2006 purchases.
- Compared station fuel log and FC's log with bulk fuel purchased.
- Reviewed gas card expenditures for detailed receipts and explanation.
- Reviewed timesheets for hours worked and compared them to pay stubs. Scope was expanded to include 2006 and January 2009 if the employee sampled was employed during these times.
- Reviewed petty cash fund and corresponding receipts.
- Discussed internal controls with AA.

Credit Card Expenditures	
Criteria:	Credit card expenditures are supported by detailed receipts and are for valid operating expenses.
Condition:	<p>Reviewed approximately 461 transactions totaling \$37,631 that were put on two LHFD credit cards.</p> <ol style="list-style-type: none"> 1. Sixty-seven transactions (14.5% of the total number of transactions) did not have a detailed receipt. Majority of the transactions were for meals and dry cleaning. 2. Nine transactions totaling \$264.60 had no receipt or detail. 3. \$1,925.64 (5% of total credit card expenditures) was spent on meals at Liberty Hill restaurants reported as business meetings or training. In some cases, meals were reported as purchased for people outside of LHFD. 4. \$748.28 (2% of total credit card expenditures) was spent on meals at Williamson County restaurants reported as business meetings or training. 5. \$942.66 (five transactions), 2.5% of total credit card expenditures, was spent on meals outside of Williamson County for reasons other than training. The largest transaction of \$803.49, which included \$97 in alcohol and additional gratuity, was a meal for the Strategic Planning Conference with the ESD board members. 6. \$1,253.02 (includes meeting room rental for five hours) was spent on hotel rooms in Austin for the Strategic Planning Conference. 7. There were several transactions where alcohol was purchased with meals. 8. \$819.21 (nine transactions) was spent on accessories and services for the personal trucks of the FC and the AA. This is in addition to the \$649 monthly auto allowance the FC receives. 9. \$707.32 (six transactions) was spent on purchases including beef jerky, chocolate brittle bark, sundries at a hotel, two sets of curtain panels, two pairs of women's jeans and flowers for a funeral. 10. \$195.42 was spent on dry cleaning expenses; no detail was provided on the type of garments cleaned. (These transactions are included in item one.) 11. \$5,378.56 was spent on groceries. It is difficult to distinguish between items purchased for LHFD and personal use. Many of the receipts had items that firefighters reported had never been provided or seen at the station.

Cause:	<ol style="list-style-type: none"> 1. Detailed receipts were not requested at the time of purchase. Other detailed receipts may have been misplaced. 2. Receipts were unable to be located. 3. & 4. The budget approved by the ESD board allowed for these expenditures under the category of “public relation/business meetings”. In some cases, meals were purchased for people outside the department as a courtesy according to the AA. 5. & 6. The budget approved by the ESD board allowed for these expenditures. 7. Unknown. 8. The AA reported that guidelines had not been provided on what the auto allowance covers. 9. The AA reported beef jerky and chocolate were used as Christmas gifts for vendors and hotel sundries are unknown. The curtain panels were purchased for the AA’s office but not used or returned. After much searching one set of the panels, new in package, was located; the other set was not located. The two pair of women’s jeans were purchased because the AA reported ruining a pair during a call. The flowers were purchased for a funeral for a Williamson County employee’s relative; the budget, approved by the ESD board, allows for this type of expenditure. 10. The AA stated job descriptions for the AA and FC provided for this.* 11. Unknown.
Effect:	<ol style="list-style-type: none"> 1. Unable to determine if expenditures are for valid operating expenses without a detailed receipt. 2. Unable to determine if expenditures are for valid operating expenses when receipts are missing. 3. – 11. Taxpayer dollars may have been spent for personal use and/or activities not related to emergency services.
	<p>*Auditor’s Note: The following three documents outlining salary and benefits were provided to the auditors during the audit:</p> <ol style="list-style-type: none"> 1. An unsigned copy of LHFD board meeting minutes dated September 4, 2001 outlines the salary and benefits for the AA. The validity of this unsigned document is unable to be determined. 2. The FC’s salary, retirement, insurance, and paid time off are outlined in a formal offer of employment letter dated September 21, 2002. This letter was signed by two members of LHFD board and does not include clothing or gas card benefits. 3. The FC’s offer of employment letter appeared to be altered by the addition of the benefits listed below and signatures that were cut and pasted from the original letter. <ol style="list-style-type: none"> 1. Uniform jeans/pants up to four pair annually 2. All PPE (personal protective equipment) 3. All uniform t-shirts/uniform shirts up to eight annually 4. Duty boots (two pair annually) 5. Cleaning of uniform, PPE, jackets up to three times a month 6. A gas card to be used for travel in and out of the fire district <p>The benefits added to this letter are similar to the benefits for the AA in the unsigned minutes.</p>
	<p>Auditor’s Note: Credit card expenditures decreased by 75.6% in November and December 2008 compared to the same months in 2007.</p>

Checking Account Expenditures

Criteria: General checking account expenditures are supported by detailed receipts and are for valid operating expenses. This general checking account is one of six checking accounts held by the department.

Condition: Reviewed 57 out of approximately 563 checks written.

1. \$2,122.49 was spent on the 2007 awards banquet. An additional \$675.36 was put on the credit card for this banquet for a total of \$2,797.85.
2. \$197.50 was spent on the 2008 awards banquet for invitations. An additional \$165.26 for stamps and table decorations was put on the credit card for a total of \$360.76. This banquet was cancelled after the invitations were mailed.
3. \$184.08 was spent for a newspaper subscription delivered to the personal address of the FC and AA.
4. A check for \$59.40 was written to Country Florist and Gifts. No receipt was available for this transaction.
5. \$500 was for a commission paid to a sales representative for finding a buyer for used equipment. The check was written directly to the sales representative and no receipt was available. There was not an agreement with this individual for a commission to be paid. Auditors traced a deposit for \$10,000 to the bank account for the price of the equipment.
6. \$299 was spent on flowers for the following people: a Captain's dad's funeral, FC's mother's funeral, and an ESD board members wife.
7. \$443.24 was spent at Sam's. It is difficult to distinguish between items purchased for LHFD and personal use.
8. \$112.29 was spent at M&L pharmacy for the purchase of sinus/cold medications and nasal spray.
9. \$994.02 was spent on Ozark water delivered to the fire station. Purchases include half liter bottles, 700 mL bottles and five gallon bottles. The individual bottles are used for rehab during or after an emergency call. From interviewing firefighters, they are not allowed to drink the individual bottles of water during their shift. During the audit we noticed the AA drinking water from similar individual bottles. The five gallon water dispenser is located in the FC's office and this office stays locked when the FC is not there. This water is not used by the firefighters interviewed; they bring their own water or drink out of the water fountain.
10. Many of the cash and credit card receipts included purchases of individual bottles of water or soda.

Cause:

1. & 2. AA stated annual banquets are held so firefighter's have an audience for receiving awards. In addition, the budget approved by the ESD board allowed for these expenditures. The 2008 awards banquet was canceled due to external audit issues.
3. AA stated that when the newspaper was delivered to the station someone kept stealing it; the paper is brought to the station everyday.
4. Unknown. AA believes this purchase was for flowers for a funeral.
5. The AA reported that the FC felt it was necessary to compensate the sales representative because he found a buyer.
6. The budget approved by the ESD board allowed for these expenditures.
7. Unknown.
8. AA reported the items were purchased for all employees. Firefighters interviewed stated this type of medication was not made available to them.

	<p>9. Inconsistent policy for the use of bottled water.</p> <p>10. Unknown.</p>
Effect:	<p>1. & 2. Possible improved morale for the firefighters.</p> <p>3. AA and FC benefit at the cost of taxpayers by receiving a newspaper subscription delivered to their home.</p> <p>4. Unable to determine if expenditures are for valid operating expenses when receipts are missing.</p> <p>5. No criteria is in place to manage this type of expenditure (i.e. fair commission and/or fair market value may not have been obtained).</p> <p>6. Goodwill gesture.</p> <p>7. – 8. Taxpayer dollars may have been spent for personal use.</p> <p>9. The five gallon water dispenser is not always available to employees; invalid expenses occur when policies are not in place.</p> <p>10. Taxpayer dollars were spent for personal use.</p>
Sales Tax/Finance Charges/Late Fees	
Criteria:	Sale tax is not paid since LHFD is a non-profit tax exempt organization and good business practice dictates that finance charges and late fees are not accrued and paid.
Condition:	<p>1. Approximately \$627.58 in sales tax was paid.</p> <p>2. Approximately \$131.80 in finance charges and late fees was paid. Majority of these fees were assessed on a credit card and Dell account.</p>
Cause:	<p>1. LHFD personnel failed to reduce payments by the tax amount.</p> <p>2. The credit card company charged finance charges regardless of the monthly bill being paid in full. The Dell late charges accrued because the bill was not paid timely.</p>
Effect:	1. & 2. \$759.38 was paid in miscellaneous fees and taxes that should have not been paid by a non-profit tax exempt organization.
Per Diem	
Criteria:	Per diem allowances for meals are paid at a rate of \$30 per day for travel to conferences and training.
Condition:	<p>Twenty-six per diem allowances totaling \$2,985 were reviewed. Per diem allowances are paid to employees before they travel.</p> <p>1. One allowance paid in December 2007 to the AA was for one day more than the actual stay.</p> <p>2. Three allowances totaling \$360 were paid by check in February and July 2008 to the AA and FC. The checks were cashed and funds were not utilized because meals were placed on the LHFD credit card. The money was deposited back into the general checking account in November 2008.</p> <p>3. One allowance paid in July 2008 to a Captain was for half a day more than actual stay.</p>
Cause:	<p>1. AA left the conference one day early due to an ice storm.</p> <p>2. AA failed to deposit the money after the conference.</p> <p>3. Captain left half a day late for the conference.</p>
Effect:	<p>1. An extra \$30 was paid to AA and was not returned.</p> <p>2. AA failed to return the money immediately which increases potential for funds to be unaccounted.</p> <p>3. An extra \$15 was paid to the Captain and was not returned or requested by the AA.</p>

Inventory	
Criteria:	Tools, computers, and miscellaneous items purchased through department funds are physically verified.
Condition:	Inventoried 92 items. The following items were unable to be located: <ol style="list-style-type: none"> 1. Two Dell laptops, at a total value of \$3,420. 2. A Digital Rebel Camera with lens, valued at \$999. 3. Three 2 gb USB portable drives, valued at \$69 total. 4. Two load hugger hook and keeper straps, valued at \$35.98 total. 5. A pair of side cutter pliers, valued at \$39.20. All other items inventoried were located.
Cause:	<ol style="list-style-type: none"> 1. & 2. The laptops and camera were reported stolen out of the FC's personal truck when the FC and AA were on their way back from vacation. Laptops that were reported stolen were entered into the National Crime Information Center (NCIC) by Round Rock Police Department (RRPD) so they can be tracked. One of the laptops that was reported stolen was found in the office that the firefighter's share. (Location was verified by serial number.) The AA stated that the wrong serial number was provided to RRPD. 3. Two of the USB drives were reported stolen along with the camera and laptops, but they are not listed on the police report. The third USB drive was not returned from an employee who no longer works for LHFD. 4. & 5. Unknown.
Effect:	\$4,563 in inventory is missing.
Dell Expenditures	
Criteria:	Purchases on Dell computer accounts are supported by detailed receipts and are for valid operating expenses.
Condition:	Reviewed approximately \$12,000 in purchases made on Dell computer accounts. All purchases except one were supported by a detailed business receipt and appear to be a valid operating expense. A payment of \$227.58 was use to pay the FC's personal Dell account.
Cause:	FC reported that he did not know how or why his personal account had LHFD billing and shipping address attached to it.
Effect:	Inappropriate use of taxpayer dollars.
Bulk Gasoline/Diesel	
Criteria:	Bulk gasoline and diesel purchases for station tanks are logged and accounted.
Condition:	1. All emergency vehicles, with the exception of one, use diesel fuel. Miscellaneous equipment such as lawn movers and small fuel cans use gasoline. All fuel used is logged in a fuel log. The fuel log maintained at the station had approximately 7,058 gallons of fuel recorded. The fuel log used by the FC for filling his personal vehicle at the station had approximately 1,040 gallons of fuel recorded. A total of 8,098 gallons of fuel was recorded. For the same time period, 8,921 gallons of fuel was purchased to replace fuel utilized. There is a total of 823 gallons unaccounted. The breakdown between gasoline and diesel is as follows: 661 gallons of gasoline (30% of the total amount purchased) are unaccounted and 162 gallons of diesel (2.4% of the total amount purchased) are unaccounted.

2. The 1,040 gallons of fuel used by the FC for filling his personal vehicle equates to approximately \$3,120 of fuel. This fuel is in addition to the \$649 monthly auto allowance the FC receives.

Cause: 1. Fuel utilized was not logged.
2. The FC may believe he is authorized to fill his vehicle at the station in addition to receiving an auto allowance.

Effect: 1. At an average price of \$3.00 per gallon, approximately \$2,469 worth of fuel is missing.
2. Taxpayer dollars were spent inappropriately since fuel is covered under a monthly auto allowance.

Gas Card Expenditures

Criteria: Gas card purchases are supported by detailed receipts, including a mileage log, and are for valid operating expenses.

Condition: Approximately \$1,300 (500 gallons of gasoline) was charged on the card for fuel. The majority of the fuel was used by the AA for errands and emergency response. A record of miles was not kept.

Cause: AA reported that she was not aware of the need to track mileage.

Effect: Unable to determine if all fuel paid for by LHFCD was used for valid business purposes.

Auditors Note: Mileage reimbursement forms were kept for the FC and AA for November and December 2008. However, auditors recommend that the FC not be reimbursed for mileage since a monthly auto allowance is received.

Timesheets

Criteria: Timesheets are filled out correctly and pay stubs accurately reflect timesheets. Paid time off (PTO), holiday pay or banked time, and overtime are accurately calculated.

Condition: Reviewed timesheets for six firefighters and one part time assistant. For reporting purposes the employees are labeled FF1 – FF6 and PT1. AA calculates totals on the timesheets and writes paychecks.

FF1 – Reviewed timesheets for 16 pay periods. Employee’s timesheets were filled out correctly and pay stubs accurately reflect timesheets.

FF2 – Reviewed timesheets for 49 pay periods.

a. Overtime accrued in three pay periods was calculated and paid out incorrectly.

b. One timesheet had 24 hours worked crossed out and rewritten under PTO. This correction was not initialed and there was not a Leave Request form attached.

FF3 – Reviewed timesheets for 36 pay periods. Overtime accrued in one pay period was calculated and paid out incorrectly.

FF4 – Reviewed timesheets for 40 pay periods.

a. Overtime accrued in one pay period was paid out incorrectly.

b. Employee worked a ten hour shift and used 14 hours of PTO for a particular day. PTO was crossed out by the AA and hours worked was changed to 24.

c. The amount of time written under hours worked for one pay period was not the number of hours paid out.

FF5 (brother of Assistant Fire Chief) – Reviewed timesheet for 80 pay periods. Overtime accrued in three pay periods was paid out incorrectly.

FF6 (son of AA) – Reviewed timesheets for 59 pay periods.

- a. Overtime accrued in two pay periods was paid out incorrectly.
- b. Total holiday time accrued on the timesheet was not paid out.
- c. There are four instances where the Captain entered time on timesheets and the information was changed. Changes were made in a handwriting that appears to be similar to the AA. Since the time entered by the Captain usually involved PTO, the Captain wrote an explanation of the situation in the margin.
 - 1. Twelve hours PTO was crossed out and 24 hours were entered in under hours worked. Captain's note says employee traded 12 hours with another employee.
 - 2. Two and a half hours written under hours worked were crossed out and changed to 24 hours. Captain's note says "(employee) left with injured foot".
 - 3. Fourteen hours written under hours worked and 10 hours under PTO were crossed out and changed to 24 hours worked. Captain's note says "(employee) came in late /went home sick". The note was also crossed out.
 - 4. Nine and a half hours written under hours worked and 14.5 hours under PTO were crossed out and changed to 24 hours worked. Captain's note says "went home sick".
- d. An additional 2 hours were entered in on a timesheet in handwriting that doesn't appear to be consistent with the Captain's writing.
- e. Four and a half hours written under holiday on the timesheet was paid under regular time.
- f. An additional 32 hours were written in on the timesheet (two separate entries, the entry for 24 hours was written in the date column in handwriting that doesn't appear to be consistent to the Captain's writing).
- g. One timesheet had a total of 84 hours under time worked and 24 hours under PTO, 12 hours included in the 84 hours total were scratched out. The employee was paid for 102 regular hours and 24 hours PTO.
- h. On pay period ending 7/26/08, employee was paid on 7/23/08, cashed his check on 7/24/08, while other employees were not paid until 7/28/08. The employee's 7/26/08 shift was included in this check.

PT1 (daughter of AA) – Reviewed timesheet for 11 pay periods.

- a. Timesheets for this employee were filled out by the AA. Additional timesheets for the same timeframe were maintained by the employee. Only one of the timesheets maintained by the employee was able to be located. The hours on this timesheets did not coincide with the timesheet filled out by the AA.
- b. One pay check reflects three and a half hours more than what was filled out on the time sheet.
- c. One pay check reflects three hours more than what was filled out on the time sheet.

Cause: FF2 – a. For two of the pay periods, holiday pay was included in the overtime calculation. Incorrect calculations were made in the third pay period by the AA.
 b. Unknown.
 FF3 – Banked time was included in the overtime calculation.
 FF4 – a. Unknown, the timesheet has the correct amount of overtime listed.
 b. FC did not want to let employee use paid time off (PTO) since this employee rarely takes time off.

c. Unknown. The employee changed to full time status at the beginning of this pay period.

FF5 – For two pay periods, holiday pay or PTO was included in the overtime calculation. An incorrect calculation was made in the other pay period.

FF6 – a. Holiday pay or PTO was included in the overtime calculation.

b. Unknown.

c. Unknown.

d. A one hour training class was held on this day. The employee was the instructor for the class. The AA stated the additional hour was used to prepare for the class.

e. The AA stated the hours were written in the incorrect column on the timesheet.

f. Unknown.

g. Unknown.

h. Unknown.

PT1 – a. According to AA the reasons were: the AA was the employee's boss, employee was part time, and employee was putting down more hours than she needed to get paid for (i.e. working eight to five with a lunch break and filling out the timesheet for nine hours).

b. A note written in the margin of the timesheet reported that employee worked three and a half hours in the previous pay period. When looking at the AA's calendar, this employee only worked three hours.

c. A note written in the margin of the timesheet reported that the employee worked three hours in the previous pay period.

Effect:

FF2 – a. Employee was paid an additional \$62.96.

b. Difficult to determine if the employee worked the shift or took a vacation day.

FF3 – Employee was paid an additional \$29.04.

FF4 – a. Employee should have received an additional \$23.86.

b. Procedures are not being followed and special privileges are being given to one employee.

c. Employee was not paid for 12 hours that was filled in on his timesheet. The employee should have received an additional \$132.84.

FF5 – Employee was paid an additional \$119.63.

FF6 – a. Employee was paid an additional \$69.84

b. Employee was under paid by \$89.76.

c. Employee was paid for a total of 96 hours as if the hours were worked.

According to the Captain's entries, the employee only worked 26 hours.

Employee's PTO accruals were not deducted. Since overtime was paid out in each of these months it was also affected. Approximately 70 additional hours of overtime were paid.

d. Difficult to determine if timesheet accurately reflects employee's time worked.

e. Timesheet does not reflect the pay stub.

f. Difficult to determine if timesheet accurately reflects employee's time worked. If entries accurately reflect the hours the employee worked, the employee worked a total of 80 hours out of 96 hours.

g. Difficult to tell how many hours the employee worked since there are scratch outs on the timesheet. Employee was paid for 18 to 30 hours more than actual hours worked.

h. Issuing a check for hours not yet worked is not appropriate since unforeseen circumstances may arise and employee may not work the intended hours. Giving

special privileges to one employee by issuing his check early is inappropriate. Usual procedures were not followed.

- PT1 – a. Difficult to determine if timesheets reflect actual hours worked.
 b. Timesheet is not filled out correctly, pay stub overlaps pay periods, and employee was paid an additional \$3.25.
 c. Timesheet is not filled out correctly and pay stub overlaps pay periods.

Petty Cash

Criteria: Petty cash fund is properly accounted.

Condition: The petty cash fund is unable to be audited at this time because of inaccurate record keeping by the AA.

Cause: Inaccurate record keeping.

Effect: Inaccurate record keeping in petty cash lends opportunity for fraud.

Internal Controls

Criteria: Internal controls are in place to mitigate risk by protecting assets and ensuring integrity of all data, as well as the accounting system.

- Condition:**
1. The AA maintains the checkbook, receives invoices, pays bills, makes out checks, is sole signor on the checks and reconciles all bank accounts.
 2. The AA shops at Sam’s, Wal-Mart, and HEB for the majority of laundry, cleaning, coffee and rehab supplies; no one from the department inventories these purchases against a detailed receipt to ensure everything on the receipt is intended for and received by LHFD.
 3. a. The AA, FC and Assistant Fire Chief are authorized card holders for two to three credit cards each. The cards are used to purchase meals, fuel, and other items. The AA receives the credit card statements, writes and signs checks for the credit card payments.
 b. Cardholders do not always request and/or keep the detailed portion of credit card receipts.
 4. One captain is assigned to track inventory of uniforms. The room where the uniforms are kept is not secured at all times, allowing anyone in the department to take an item without requesting it through proper channels.
 5. Each shift captain is responsible for turning over their crews’ timesheets for each pay period. Firefighters’ timesheets are in a binder located in the captains office and openly accessible to everyone. Timesheets are turned over to the AA without having each captain initialing that his crew’s hours are correct.

- Cause:**
1. The AA reported she was unaware of the need to segregate these duties.
 2. It did not appear that the AA saw it as necessary to have purchases inventoried by someone other than the purchaser.
 3. a. It did not appear that the AA saw it as necessary to be a credit card holder while also being the one paying the credit card bill.
 b. It did not appear that the AA saw it as necessary to have cardholders always turn in detailed receipts of purchases.
 4. The captain in charge of uniforms is only there when his shift is scheduled; the closet is left unlocked in case someone needs a shirt or cap on those days the captain is not working.
 5. The AA didn’t request the captains to initial or sign off on their crew’s timesheets. There are no procedures in place to ensure timesheets are correct and unchanged.

- Effect:**
1. Without proper segregation of duties, potential for fraud exists.
 2. Potential for fraud exists when the buyer is purchasing items and no one is inventorying those items against a detailed receipt.
 3. a. Without proper segregation of duties, potential for fraud exists.
b. Without detailed receipts, there is no way to tell what was actually purchased. For example a restaurant receipt may also include the purchase of alcohol; without detail this cannot be determined.
 4. It is impossible to accurately account for all uniforms when everyone has access. It is also more difficult to request needed items if only one person is overseeing this function.
 5. Without accountability for timesheets, changes can be made before or after they are turned in to the AA.

Note to the Audit: Recommendations are not being made at the release of this audit since the structure of the Fire Department is being reevaluated by the ESD board and may be reorganized. Internal Audit will be available to make recommendations to the ESD board or Fire Department at that time. In addition, a criminal investigation was conducted by the Williamson County Sheriff's Office which resulted in the following criminal charges: the Fire Chief was charged with misapplication of fiduciary funds, a class A misdemeanor, and the Administrative Assistant/EMS Coordinator was charged with misapplication of fiduciary funds and coercion of a public servant.