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NEWS RELEASE

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FOR RELEASE March 13, 2019

Auditor of State Rob Sand today released a report on a special investigation of the Shelby County Emergency Management Agency (EMA) for the period July 1, 2013 through September 30, 2017. The special investigation was requested as a result of concerns regarding improper payment of overtime, compensatory time, and vacation to certain EMA employees.

Sand reported the special investigation identified \$59,165.28 of improper disbursements and \$1,597.32 of unsupported disbursements. Of the \$59,165.28 of improper disbursements identified, all but \$2,080.36 related to the EMA. However, the improper disbursements identified also include payments issued to employees of the County Auditor's Office. The improper disbursements identified include:

- \$41,255.97 of improper paid leave issued to 4 County employees and the County's share of FICA and IPERS for the improper payments for paid leave,
- \$13,244.53 of improper payroll issued to an employee shared with Audubon County for duplicate hours recorded and the Counties' share of FICA and IPERS for the improper payroll,
- \$4,560.49 for improper vacation buy-back payments issued to 2 EMA employees, and
- \$104.29 of improper employee reimbursements issued to 4 County employees.

The \$1,597.32 of unsupported disbursements identified includes reimbursements issued to 3 County employees for which sufficient supporting documentation was not available to determine whether the item was appropriate for County operations. Because not all employee reimbursements were tested, additional improper or unsupported reimbursements may have been identified had additional employee reimbursements been selected.

The report includes recommendations to strengthen the County's internal controls and overall operations, such as completion of vacation request forms to assist with monitoring paid leave balances, implementation of a tracking method for compensatory time to ensure proper accrual and use, and independent review and approval of timesheets for all County employees.

The County has made certain changes to its policies and procedures since the special investigation began and is in the process of reviewing additional changes.

Copies of this report have been filed with the Audubon County Board of Supervisors, the Shelby County Sheriff's Office, the Division of Criminal Investigation, the Audubon County Attorney's Office, the Shelby County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
SHELBY COUNTY EMERGENCY MANAGEMENT AGENCY

FOR THE PERIOD
JULY 1, 2013 THROUGH SEPTEMBER 30, 2017**

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Auditor of State's Report

To the Shelby County
Board of Supervisors:

As a result of concerns regarding improper payment of overtime, compensatory time, and vacation to certain employees of the Shelby County Emergency Management Agency (EMA) and at the request of Shelby County officials, we conducted a special investigation of the Shelby County EMA. Subsequent to the request from Shelby County, it was brought to our attention Audubon County officials had submitted an open records request to Shelby County for a shared EMA employee's timesheets because concerns regarding duplicate hours had been identified. We have applied certain tests and procedures to selected financial transactions of Shelby County for the period July 1, 2013 through September 30, 2017. Based on a review of relevant information and discussions with County officials and staff, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Interviewed County employees to obtain an understanding of the payroll process.
- (3) Examined reimbursements issued to selected County employees to determine whether they were properly approved, supported by sufficient documentation, and appropriate for County operations.
- (4) Examined disbursements issued for the Region IV Disaster Assistance Saw Strike Team to determine whether they were properly approved, supported by sufficient documentation, and properly segregated from EMA disbursements.
- (5) Reviewed use and accrual of holiday, vacation, and compensatory time for selected County employees to determine whether employee time was properly recorded and whether paid leave was properly accrued.
- (6) Examined certain vacation buy-back payments to determine whether they complied with County policy.
- (7) Compared the dates and times recorded by an EMA employee shared with Audubon County on his Shelby County timesheets and the dispatch call log to the dates and times recorded on his Audubon County timesheets to determine whether duplicate hours were recorded.
- (8) Interviewed the shared EMA employee to obtain an understanding of the sharing arrangement between Audubon and Shelby Counties and to obtain an explanation for certain work hours recorded on his timesheets.

These procedures identified \$59,165.28 of improper disbursements and \$1,597.32 of unsupported disbursements. Because not all employee reimbursements were reviewed, additional improper or unsupported reimbursements may have been identified had additional employee reimbursements been selected. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** and **B** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures on the financial transactions of Shelby or Audubon County, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Audubon County Board of Supervisors, the Shelby County Sheriff's Office, the Division of Criminal Investigation, the Audubon County Attorney's Office, the Shelby County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of Shelby and Audubon Counties during the course of our investigation.



ROB SAND
Auditor of State

March 6, 2019

Report on Special Investigation of the
Shelby County Emergency Management Agency
Investigative Summary

Background Information

The Shelby County Emergency Management Agency (EMA) is a County agency established by section 29C.9 of the *Code of Iowa* to plan, prepare, respond, recover, and mitigate natural and manmade disasters in the County. The EMA is governed by the Shelby County Emergency Management Commission (the Commission) which is composed of a member of the Board of Supervisors or an appointed representative, the Sheriff or the Sheriff's representative, and the Mayor or a representative from each city within the County. The Commission is responsible for establishing policies and procedures for the operation of the EMA, including the collection and disbursement of EMA funds, personnel actions and benefits, and the coordination of emergency management activities and services among county and city governments and private sector agencies within the county.

Section 29C.9(5) of the *Code* states, "The commission shall model its bylaws and conduct its business according to the guidelines provided in the department's [Iowa Department of Homeland Security and Emergency Management] administrative rules." In accordance with the Iowa Administrative Code 605-7.5(2), the Commission "shall determine the personnel policies of the agency to include holidays, rate of pay, sick leave, vacation, and health benefits. The commission may adopt existing county or city policies in lieu of writing the commission's own policies." During the period of our investigation, the Commission elected to follow the personnel policies and procedures established by Shelby County.

On April 3, 2017, after consulting with legal counsel, the Chair of the Shelby County Board of Supervisors contacted the Office of Auditor of State regarding concerns with the accuracy of the paid leave, such as compensatory time and holidays, recorded by EMA employees on their timesheets. Specifically, during the review of EMA payroll, the County Auditor identified an EMA employee whose net payroll was greater than the EMA Director's net payroll. After further scrutiny of EMA employee timesheets, County officials determined EMA employees were recording compensatory time as holiday hours on their timesheets. In addition, because there was no formal tracking mechanism for compensatory time and vacation hours accrued and used, County officials were concerned with the accuracy of the EMA employees' paid leave.

As a result of the concerns identified, Shelby County officials requested the Office of Auditor of State conduct an investigation of certain financial transactions of the Shelby County EMA. We performed the procedures detailed in the Auditor of State's report for the period July 1, 2013 through September 30, 2017.

Detailed Findings

These procedures identified \$59,165.28 of improper disbursements and \$1,597.32 of unsupported disbursements. Of the \$59,165.28 of improper disbursements identified, all but \$2,080.36 related to the EMA. However, the improper disbursements identified also include payments issued to employees of the County Auditor's Office. The improper disbursements identified include:

- \$41,255.97 of improper paid leave issued to 4 County employees and the County's share of FICA and IPERS for the improper payments for paid leave,
- \$13,244.53 of improper payroll issued to an employee shared with Audubon County for duplicate hours recorded and the Counties' share of FICA and IPERS for the improper payroll,

- \$4,560.49 for improper vacation buy-back payments issued to 2 EMA employees, and
- \$104.29 of improper employee reimbursements issued to 4 County employees.

The \$1,597.32 of unsupported disbursements identified includes reimbursements issued to 3 County employees for which sufficient supporting documentation was not available to determine whether the item was appropriate for County operations. Because not all employee reimbursements were reviewed, additional improper or unsupported reimbursements may have been identified had additional employee reimbursements been selected for testing.

All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

Payroll

EMA is comprised of 3 employees: the EMA Coordinator, the Assistant Communications Supervisor, and the EMS Supervisor. During the period of our investigation, Robert Seivert served as the EMA Coordinator until his retirement effective October 8, 2018, and Michael Jensen served as the Assistant Communications Supervisor until his resignation effective February 8, 2019. Each employee completes a timesheet, which is approved by the EMA Coordinator. Mr. Seivert also approved his own timesheet. Prior to July 2018, Mr. Jensen entered all timesheet information into a spreadsheet and verified the information entered agreed with the County Call Log Report. However, subsequent to July 2018, EMA employees began using the standardized timesheet created by the County Auditor's Office for all departments.

According to the County's Employee Information Handbook (Handbook), full-time employees earn 40 hours of vacation after completing their first year of service. The Handbook also includes an established schedule of the amount of vacation earned based on continuous years of service, with a maximum of 160 hours of vacation earned after completion of 20 continuous years of service. In addition, in accordance with the Handbook, after full-time employees become eligible for annual paid vacation hours in excess of 80 hours, they are allowed to carry over half of their annual paid vacation hours at the end of their employment year. However, employees are required to use a minimum of 80 hours of vacation to be eligible for the carryover.

The Board of Supervisors may also authorize a "buy-back" of up to 80 hours annually. According to the June 7, 2016 Board meeting minutes, employees earning at least 160 hours of vacation and using a minimum of 80 hours of vacation were eligible for the buy-back program. The value of the vacation hours bought back by the County was to be deposited in the employees' deferred compensation account or health savings account.

Full-time employees are also eligible for 12 hours of paid sick leave for each month worked and may accumulate up to 840 hours. The Handbook also states, after completion of the first year of service, each full-time employee is allowed a paid day off for personal purposes. If an employee is classified as non-exempt, the employee is to be compensated for approved overtime hours at the rate of 1½ times his/her hourly rate. However, in accordance with the Handbook, department heads may authorize payment for overtime in the form of compensatory time to a maximum of 80 hours. The County also recognizes 8 holidays and the afternoon of December 24 if the date is a Monday through Thursday. Any departments operating 24 hours daily, seven days a week observe the actual holiday.

Paid leave – As previously stated, County officials expressed concerns with the accuracy of paid leave recorded by EMA employees on their timesheets. According to the County officials we spoke with and Mr. Seivert, the former County Auditor, who served from June 1, 1970 through December 31, 2016, instructed EMA employees to record compensatory time as paid holiday hours on their timesheets. However, EMA relied on the honor system and did not have a method to monitor compensatory time earned or used by its employees. We reviewed payroll records and

timesheets for employees from EMA, the County Auditor's Office, and the County Assessor's Office for the period July 1, 2013 through September 30, 2017. Although the concerns identified related to EMA, we reviewed employees of the County Auditor's Office because that Office processes payroll and the former County Auditor allegedly instructed EMA on how to complete their timesheets. In addition, we selected the County Assessor's Office to determine whether other County offices recorded compensatory time in a similar manner.

Based on the hours recorded on their timesheets, we recalculated the paid leave accrued and used by the 3 employees of the EMA Department, as well as the County Assessor and an employee of the County Auditor's Office. As a result, we determined 4 of the 5 employees selected received salary for paid leave not properly earned. **Table 1** summarizes the excess paid leave, improper payroll, and County's share of FICA and IPERS for the 4 employees identified. The improper payroll of \$35,388.55 and the County's share of FICA and IPERS of \$5,867.42 are included in **Exhibit A** as improper disbursements.

Table 1

Employee	County Department	Excess Hours	Improper Payroll	County Share of:		Total
				FICA	IPERS	
Robert Seivert	EMA	189.30	\$ 5,543.47	424.07	495.04	6,462.58
Michael Jensen	EMA	649.64	16,547.03	1,265.85	1,477.65	19,290.53
Jason Wickizer	EMA	508.19	11,575.42	885.52	1,033.68	13,494.62
Karen Goans	County Auditor	81.50	1,722.63	131.78	153.83	2,008.24
Total		1,428.63	\$ 35,388.55	2,707.22	3,160.20	41,255.97

Subsequent to an interview with Mr. Jensen, he provided a copy of a narrative written by Mr. Seivert in August 2018. According to the narrative, Mr. Seivert verbally discussed the provision of compensatory time with the EMA Executive Committee on numerous occasions. However, we confirmed with Mr. Seivert the full EMA Commission never formally approved the provision of compensatory time or adopted a policy regarding compensatory time. The Executive Committee does not have the authority to implement a policy without approval of the full EMA Commission; and based on a review of the meeting minutes, the EMA Commission adopted the County's Handbook during the period of our review, which did not allow for compensatory time for exempt employees.

When we spoke with Mr. Seivert, he also stated because Mr. Jensen and he were salaried the hours recorded for them did not matter. He elected to have their hours tracked because they needed to be able to take time off for meetings and/or training. According to Mr. Seivert, the County Board of Supervisors was aware of this practice. However, in accordance with County policy, Mr. Seivert and Mr. Jensen were not authorized to earn compensatory time and a member of the Board of Supervisors we spoke with was not aware EMA employees were recording compensatory time outside the County's payroll system. In addition, we did not identify any minutes or other documentation which documented the Board of Supervisors discussed and/or approved this practice.

Duplicate payroll – During our fieldwork, the current County Auditor informed us the County had received an open records request from the Audubon County Auditor for Mr. Jensen's timesheets because concerns had been identified regarding his payroll at Audubon County. Mr. Jensen began full-time employment with Shelby County EMA August 21, 2002 and served as the Assistant Communications Supervisor until his resignation effective February 8, 2019. Mr. Jensen is also an EMA employee for Audubon County, where he currently serves as the EMA Coordinator. Mr. Jensen began employment with Audubon County on October 28, 2013 as an hourly employee. On November 4, 2014, he became the EMA Coordinator. As the EMA Coordinator, he was expected to work 20 hours per week for an annual salary of \$20,000.00.

We compared the dates and times recorded on Mr. Jensen's Audubon County timesheets to the dates and times recorded on his Shelby County timesheets and the Shelby County Dispatch Call Log to determine whether any of the hours recorded coincided. As a result, we identified 586.82 duplicate hours which were recorded on both his Shelby County and Audubon County timesheets.

Of the 586.82 duplicate hours identified, 263.75 hours were duplicate training hours, resulting from Mr. Jensen recording the same training on his timesheet at both counties. Because the training benefited both counties, we allocated the payroll costs related to Mr. Jensen's duplicate training hours evenly between Shelby and Audubon Counties. As a result, the improper gross salary incurred by Shelby and Audubon Counties totaled \$3,290.93 and \$2,391.34, respectively. Both counties also incurred the employer's share of FICA and IPERS on the improper gross salary totaling \$545.64 and \$396.49 for Shelby and Audubon County, respectively. These amounts are included on **Exhibit A** as improper disbursements.

The remaining 323.07 hours are duplicate hours Mr. Jensen recorded on both his Audubon and Shelby County timesheets as time he worked for each County. In addition to his timesheet for Shelby County, Mr. Jensen's time was recorded on the Dispatch Log. For the dates reviewed, the total hours worked recorded by Mr. Jensen on his Shelby County timesheets agreed with the on-duty/off-duty times recorded on the Shelby County Dispatch Log. However, according to representatives of Shelby County, Mr. Jensen had the capability to manually edit the Dispatch Log, and there was no mechanism in place to document the change(s) made. As a result, we are unable to rely on its accuracy. In addition, Mr. Jensen's timesheets for both counties were manually prepared. Because no verifiable supporting documentation is available, we are unable to determine which County Mr. Jensen was working for at the times he recorded he was simultaneously working for both Counties. As a result, we calculated a range of improper payroll costs related to the duplicate hours recorded.

Table 2 summarizes the range of improper gross salary calculated based on Mr. Jensen's hourly rate at Shelby and Audubon County, respectively, as well as each County's respective share of FICA and IPERS paid for the improper gross salary. To be conservative, the least amount of improper gross salary identified, as well as the related County share of FICA and IPERS costs are included in **Exhibit A** as improper disbursements. As a result, the \$5,678.62 of minimum gross salary received by Mr. Jensen for the duplicated hours and \$941.51 of related FICA and IPERS costs are included on **Exhibit A**.

Table 2				
County	Improper Gross Salary	County Share of:		Total
		FICA	IPERS	
Shelby	\$ 8,117.10	620.96	724.86	9,462.92
Audubon	5,678.62	434.41	507.10	6,620.13

We also determined Mr. Jensen would have incurred travel time of 30 minutes to commute between the 2 counties. We calculated the total potential improper payroll costs, including the County's share of FICA and IPERS, related to Mr. Jensen's commuting travel is \$1,146.01 and \$242.73 for Shelby and Audubon County, respectively. However, because we are unable to determine which County Mr. Jensen was working for, the calculated total improper payroll costs are not included on **Exhibit A**.

During our interview with Mr. Jensen, he stated he was mostly in the office when working for Shelby County and his start and end times were logged by a dispatcher when he physically arrived and departed the office. He also stated he maintained manual calendars to track the hours worked for Audubon County. There was no formal agreement between the 2 counties; however, Mr. Jensen stated Mr. Seivert verbally informed him both he and the EMA Commission

approved his request to work for both counties. In addition, he stated the expectation was he would record paid leave at Shelby County to work in Audubon County.

When we first inquired about the duplicate hours, Mr. Jensen stated there must have been a clerical or logging error made by either a dispatcher or him. However, when we informed him of the number of duplicate hours identified, he was surprised and had no further explanation. He also agreed a clerical error would not result in duplicate hours to that extent.

Vacation buy-back program – As previously stated, County employees are eligible to participate in the County’s buy-back program for unused vacation if they used a minimum of 80 hours of the annual vacation hours awarded as required. Using the timesheets provided directly by EMA on May 19, 2017, we recalculated the vacation accrued and used by EMA employees. These timesheets were also used to determine the accuracy of paid leave as discussed previously. As a result of our review, we determined the timesheets provided by EMA showed neither Mr. Seivert or Mr. Jensen used any of the annual vacation awarded for the period preceding the buy-back payments. Because no vacation hours were recorded as used, neither employee was eligible to participate in the County’s buy-back program for that year.

During our fieldwork, the current County Auditor raised additional concerns related to the buy-back program and subsequently provided us a separate set of timesheets maintained in the payroll records of his Office on December 21, 2017. We compared the timesheets provided directly by EMA on May 19, 2017 to the timesheets provided by the County Auditor’s Office on December 21, 2017 and determined they did not agree. The timesheets submitted to the County Auditor’s Office for Mr. Jensen were altered in order to show he qualified for the County’s buy-back program. However, the altered timesheets showed Mr. Jensen used 72 hours of vacation during his anniversary year. As a result, Mr. Jensen was still not eligible for the buy-back program. After further review, it appears 8 hours were inadvertently recorded to “Training” rather than “Vacation.” Because the County had not established a formal vacation request form or other tracking mechanism, we were unable to verify the accuracy of vacation hours recorded.

Copies of the timesheets obtained from EMA and the County Auditor’s Office are included in **Appendix 1. Table 3** summarizes the improper buy-back payments issued on behalf of Mr. Seivert and Mr. Jensen. Using County payroll records, we confirmed the buy-back payments were deposited in a deferred compensation or health savings account for each employee. The total improper buy-back of \$4,560.49 is included in **Exhibit A** as improper disbursements.

Table 3	
Employee	Improper Buy-back
Robert Seivert	\$ 2,490.17
Michael Jensen	2,070.32
Total	<u>\$ 4,560.49</u>

During our interview with Mr. Jensen, he stated he was responsible for processing the supporting documentation for payroll; however, he did so at Mr. Seivert’s direction. According to Mr. Jensen, the detailed spreadsheet maintained internally was used to compile the summary provided to the County Auditor’s Office. When asked about the differences identified between the internal timesheets and the timesheets from the County Auditor’s Office, Mr. Jensen stated he did not know they were different. He further stated he was made aware he had to use a certain number of vacation hours, and the remainder were to be recorded as compensatory time. He reiterated, while he processed payroll, he recorded hours as directed by his supervisor, Mr. Seivert.

Overtime – As previously stated, the current County Auditor identified an EMA employee whose net payroll exceeded that of the EMA Coordinator. According to the Board members we spoke

with, they inquired about the amount of overtime recorded by the specified EMA employee. Subsequent to their inquiry, the employee was transitioned from an hourly employee to a salaried employee.

We reviewed the employee's timecards and determined he had recorded and been paid for 1,856.57 hours of overtime for the period July 1, 2013 to September 30, 2017. We also determined none of the overtime hours recorded were approved prior to being recorded as required by the County's Handbook. However, the employee's timecards were approved by his supervisor. The overtime pay identified totaled \$46,226.32, and the County incurred the employer's share of FICA and IPERS on the overtime pay totaling \$3,536.31 and \$4,128.01, respectively.

Although overtime is to be pre-approved, because no concerns were raised stating the employee did not work the hours recorded and his timesheets were approved by his supervisor, the amount paid by the County for the overtime is not included in **Exhibit A**.

Reimbursements

To be consistent with the County Offices tested for payroll, we reviewed all reimbursements issued to employees of EMA for the period July 1, 2013 through September 30, 2017 and the County Auditor's Office for the period July 1, 2015 through September 30, 2017. Supporting documentation for reimbursements issued to employees of the County Auditor's Office was not readily available prior to July 1, 2015. In addition, there were no reimbursements issued to the County Assessor during the period reviewed.

In accordance with the Handbook, County employees are reimbursed registration fees, lodging, meals, and mileage related to County-approved meetings, training, and conferences. In addition, County employees are reimbursed for miscellaneous goods and/or services purchased on behalf of the County. The Handbook specifies meal expenses are reimbursed to a maximum average of \$20.00 per day for training which requires an overnight stay. To be reimbursed, an employee is required to complete a Shelby County Expense Claim Form and attach the original receipts. The Claim Form is to be reviewed and approved by the employee's supervisor.

As a result of our review, we identified \$104.29 of improper reimbursements and \$1,597.32 of unsupported reimbursements. The improper and unsupported reimbursements are listed in **Exhibit B**, and included in **Exhibit A**. The improper reimbursements identified were primarily comprised of meal expenses which did not comply with the established County policy. Reimbursements were classified as unsupported if appropriate documentation was not available or it was not possible to determine if the payment was related to County operations or was personal in nature.

The unsupported reimbursements identified include a \$914.84 reimbursement issued to Mr. Seivert for a refrigerator and \$640.00 reimbursed to an EMA employee related to the Region IV Disaster Assistance Saw Strike Team (Saw Strike Team), a disaster assistance organization providing storm clean-up statewide. According to Mr. Seivert, the organization is separate from the County; however, EMA acts as the fiscal agent and is responsible for recording the revenues and expenditures of the organization. The EMA Executive Committee agreed to assume this responsibility. As a result, the revenues and expenditures of the Saw Strike Team are recorded in the County's accounting software.

We also identified the following concerns:

- An employee of the County Auditor's Office received reimbursements totaling \$587.50 for providing janitorial services while another employee was on vacation. Because the individual was an employee of the County, all payments for services rendered should have been processed through payroll in order for payroll taxes to be properly withheld and the amounts paid to be included in the employee's W-2 tax form. According to the current County Auditor, this practice is no longer allowed.

- The 47 reimbursements issued to Mr. Seivert and the 12 reimbursements issued to the former County Auditor were not reviewed and approved by an independent person.
- 2 reimbursements issued to the current County Auditor, a reimbursement issued to the former County Auditor, and a reimbursement issued to an employee of the County Auditor's Office were not supported by the required Claim Form.

In addition, we identified 48 reimbursements issued to EMA employees which did not have sufficient supporting documentation; however, the goods and/or services purchased were reasonable for County operations based on the vendor and were not included in **Exhibit A** as unsupported disbursements.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Shelby County EMA, the County Auditor's Office, and the County Assessor's Office for processing payroll and reimbursements. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from errors or irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the County's internal controls.

- A. Paid Leave – We identified 4 employees who received payments for paid leave not properly earned. In addition, the County had not established a formal request form or other tracking mechanism to monitor vacation and compensatory time accrued and used. As a result, it was not possible to review employee paid leave balances for accuracy and compliance with established County policy.

Recommendation – The County should implement a paid leave request form or other mechanism to monitor employee paid leave balances. An independent person should reconcile the paid leave accrued and used by County employees to ensure accuracy and compliance with established County policy.

- B. Timesheets – The EMA Coordinator approved his own timesheet with no independent review. In addition, we determined timesheets for an EMA employee were altered in order for the employee to qualify for the County's vacation buy-back program.

Recommendation – The County should implement procedures to ensure the timesheets for department heads are reviewed and approved by an independent person. The approval should be evidenced by the reviewer's signature or initials and the date of the review.

- C. Overtime – We determined 1,856.57 hours of overtime worked by an EMA employee were not properly pre-approved in accordance with established County policy.

Recommendation – The County should implement procedures to ensure overtime is properly pre-approved in accordance with established County policy. The approval should be documented by the supervisor with his/her initials and date of the approval.

- D. Dispatch Log – We determined an EMA employee had the capability to manually edit the Dispatch Log, and there was no mechanism in place to document the change(s) made.

Recommendation – The County should implement procedures to require supporting documentation be maintained for manual edits recorded on the Dispatch Log to ensure the accuracy and propriety of changes made. The supporting documentation should be reviewed and approved by an independent person during the approval of timesheets.

- E. Supporting Documentation – During our review of employee reimbursements, we identified the following concerns:

- An employee of the County Auditor's Office received reimbursements for providing janitorial services while another employee was on vacation. Because the individual was an employee of the County, all payments for services rendered should have been processed through payroll.
- All reimbursements issued to an EMA employee and all reimbursements issued to the former County Auditor were not reviewed and approved by an independent person.
- 48 reimbursements issued to EMA employees did not have sufficient supporting documentation.
- 4 reimbursements tested did not have the required Claim Form.

Recommendation – Should any employees provide services outside their normal job duties during their employment, the County should ensure payment for services rendered is processed through payroll to ensure any amounts paid are properly included on the employees' W-2 tax form. In addition, the County should implement procedures to ensure all employee reimbursements are supported with adequate documentation, including the Claim Form required by County policy, and all County official and employee reimbursements should be reviewed and approved by an independent person.

Exhibits

**Report on Special Investigation of the
Shelby County Emergency Management Agency**

Report on Special Investigation of the
Shelby County Emergency Management Agency

Summary of Findings
For the period July 1, 2013 through September 30, 2017

Description	Exhibit/ Table/ Page	Improper	Unsupported	Total
Improper and unsupported disbursements:				
Payroll:				
Paid leave	Table 1	\$ 35,388.55	-	35,388.55
County's share of FICA and IPERS on the paid leave	Table 1/ Page 7	5,867.42	-	5,867.42
Duplicate payroll:				
Training hours:				
Shelby County - gross payroll	Page 7	3,290.93	-	3,290.93
Shelby County - County share of FICA and IPERS	Page 7	545.64	-	545.64
Audubon County - gross payroll	Page 7	2,391.34	-	2,391.34
Audubon County - County share of FICA and IPERS	Page 7	396.49	-	396.49
Calculated range minimum:				
Gross payroll	Table 2	5,678.62	-	5,678.62
County share of FICA and IPERS	Table 2/ Page 8	941.51	-	941.51
Vacation buy-back	Table 3	4,560.49	-	4,560.49
Reimbursements	Exhibit B	104.29	1,597.32	1,701.61
Total improper and unsupported disbursements		<u>\$ 59,165.28</u>	<u>1,597.32</u>	<u>60,762.60</u>

**Report on Special Investigation of the
Shelby County Emergency Management Agency**

Report on Special Investigation of the
Shelby County Emergency Management Agency

Improper and Unsupported Reimbursements to Certain County Employees
For the period July 1, 2013 through September 30, 2017

Date	Check Number	Employee	Total	Reasonable	Improper	Unsupported	Description of Improper and Unsupported Reimbursements
11/30/15	626308	Marsha Carter	\$ 771.43	\$ 728.23	11.42	31.78	Meals
06/21/16	628106	Marsha Carter	247.11	203.74	43.37	-	Meals
07/29/16	628729	Marsha Carter	723.12	710.94	12.18	-	Meals
12/01/16	630112	Marsha Carter	587.99	577.29	-	10.70	Meals
Subtotal			<u>2,329.65</u>	<u>2,220.20</u>	<u>66.97</u>	<u>42.48</u>	
01/31/17	630629	Mark Maxwell	<u>536.03</u>	<u>530.88</u>	<u>5.15</u>	<u>-</u>	Meals
08/30/13	617741	Robert Seivert	177.60	154.20	23.40	-	Meals
03/15/16	627342	Robert Seivert	40.77	32.00	8.77	-	Duplicate postage
08/31/16	629079	Robert Seivert	914.84	-	-	914.84	Refrigerator
Subtotal			<u>1,133.21</u>	<u>186.20</u>	<u>32.17</u>	<u>914.84</u>	
09/23/14	622028	Jason Wickizer	640.00	-	-	640.00	Saw team expense
Total			<u><u>\$ 4,638.89</u></u>	<u><u>2,937.28</u></u>	<u><u>104.29</u></u>	<u><u>1,597.32</u></u>	

Report on Special Investigation of the
Shelby County Emergency Management Agency

Staff

This special investigation was performed by:

Jennifer Campbell, CPA, Manager
Cole J. Hanley, CPA, Staff Auditor
Erin M. Wittrock, Assistant Auditor

A handwritten signature in black ink that reads "Annette K. Campbell". The signature is written in a cursive style with a large, looped initial "A".

Annette K. Campbell, CPA
Deputy Auditor of State

Appendix

**Report on Special Investigation of the
Shelby County Emergency Management Agency**

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

Timesheets for Mike Jensen provided to the Office of Auditor of State by EMA in May 2017.

WEEKLY TOTAL	12.2	0	7	0	0	19.4	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
7/15/2016						9.08			
7/16/2016	11.72								
7/17/2016	12								
7/18/2016	11.9								
7/19/2016	11.87								
7/20/2016									
7/21/2016									
WEEKLY TOTAL	47.49	0	0	0	0	9.08	0	0	0
7/22/2016						8.55			
7/23/2016	10								
7/24/2016									
7/25/2016						11.45			
7/26/2016						9.05			
7/27/2016						6.88			
7/28/2016									
WEEKLY TOTAL	10	0	0	0	0	35.93	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
7/29/2016			9						
7/30/2016			9						
7/31/2016						8.5			
8/1/2016						8.5			
8/2/2016									
8/3/2016						9.08			
8/4/2016									
WEEKLY TOTAL	0	0	18	0	0	26.08	0	0	0
8/5/2016						9.5			
8/6/2016									
8/7/2016									
8/8/2016						9.4			
8/9/2016			8						
8/10/2016									
8/11/2016						9.3			
WEEKLY TOTAL	0	0	8	0	0	28.2	0	0	0

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Report on Special Investigation of the Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
8/12/2016						7.5			
8/13/2016						6.8			
8/14/2016						8.63			
8/15/2016						8.72			
8/16/2016			7.5						
8/17/2016						9.5			
8/18/2016									
WEEKLY TOTAL	0	0	7.5	0	0	41.15	0	0	0
8/19/2016						9.1			
8/20/2016									
8/21/2016									
8/22/2016						5.58			
8/23/2016			7.5						
8/24/2016						9.4			
8/25/2016									
WEEKLY TOTAL	0	0	7.5	0	0	24.08	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
8/26/2016						8.75			
8/27/2016						1.5			
8/28/2016									
8/29/2016						9.9			
8/30/2016			3						
8/31/2016						10.18			
9/1/2016									
WEEKLY TOTAL	0	0	3	0	0	30.33	0	0	0
9/2/2016						9.62			
9/3/2016									
9/4/2016									
9/5/2016	4.92		8						
9/6/2016									
9/7/2016						12.53			
9/8/2016						11.78			
WEEKLY TOTAL	4.92	0	8	0	0	33.93	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

9/9/2016							13			
9/10/2016							6.13			
9/11/2016							2.5			
9/12/2016							9.5			
9/13/2016										
9/14/2016							13.18			
9/15/2016	11.52									
WEEKLY TOTAL	11.52	0	0	0	0	0	44.31	0	0	0
9/16/2016										
9/17/2016							12.23			
9/18/2016										
9/19/2016							9.35			
9/20/2016							9.78			
9/21/2016										
9/22/2016										
WEEKLY TOTAL	0	0	0	0	0	0	31.36	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH	
9/23/2016							8.3			
9/24/2016										
9/25/2016										
9/26/2016							9.25			
9/27/2016			5							
9/28/2016							9.27			
9/29/2016										
WEEKLY TOTAL	0	0	5	0	0	0	26.82	0	0	0
9/30/2016							9.3			
10/1/2016	10									
10/2/2016										
10/3/2016							9.32			
10/4/2016							9.75			
10/5/2016										
10/6/2016							10.13			
WEEKLY TOTAL	10	0	0	0	0	0	38.5	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH	
10/7/2016							8.2			

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Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

10/8/2016									
10/9/2016									
10/10/2016						9.28			
10/11/2016						9			
10/12/2016						9			
10/13/2016						9			
WEEKLY TOTAL	0	0	0	0	27	17.48	0	0	0
10/14/2016						9.2			
10/15/2016									
10/16/2016	9.33								
10/17/2016	12								
10/18/2016									
10/19/2016						9.52			
10/20/2016						1.62			
WEEKLY TOTAL	21.33	0	0	0	0	20.34	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
10/21/2016	11.62								
10/22/2016						2.37			
10/23/2016									
10/24/2016						9.92			
10/25/2016						9.28			
10/26/2016						6.27			
10/27/2016			5.5						
WEEKLY TOTAL	11.62	0	5.5	0	0	27.84	0	0	0
10/28/2016						8.33			
10/29/2016									
10/30/2016									
10/31/2016						9.5			
11/1/2016			5.5						
11/2/2016						8.93			
11/3/2016						3.13			
WEEKLY TOTAL	0	0	5.5	0	0	29.89	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
11/4/2016						2.88			
11/5/2016									

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

11/6/2016									
11/7/2016						9.33			
11/8/2016			7						
11/9/2016						9.37			
11/10/2016						10.72			
WEEKLY TOTAL	0	0	7	0	0	32.3	0	0	0
11/11/2016			12			2.9			
11/12/2016									
11/13/2016									
11/14/2016						9.53			
11/15/2016									
11/16/2016						9.5			
11/17/2016			7						
WEEKLY TOTAL	0	0	19	0	0	21.93	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
11/18/2016						9.54			
11/19/2016						0.7			
11/20/2016									
11/21/2016						9.47			
11/22/2016									
11/23/2016						9.32			
11/24/2016			12						
WEEKLY TOTAL	0	0	12	0	0	29.03	0	0	0
11/25/2016			12			8			
11/26/2016									
11/27/2016									
11/28/2016						4.98			
11/29/2016						4.92			
11/30/2016						9.07			
12/1/2016									
WEEKLY TOTAL	0	0	12	0	0	26.97	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
12/2/2016						8.73			
12/3/2016									
12/4/2016									

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Report on Special Investigation of the Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

12/5/2016						9.15			
12/6/2016			8						
12/7/2016	10.7								
12/8/2016						10.08			
WEEKLY TOTAL	10.7	0	8	0	0	27.96	0	0	0
12/9/2016						5.87			
12/10/2016									
12/11/2016									
12/12/2016						9.1			
12/13/2016			9						
12/14/2016						9.37			
12/15/2016									
WEEKLY TOTAL	0	0	9	0	0	24.34	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
12/16/2016						8.4			
12/17/2016						4.25			
12/18/2016									
12/19/2016						5.3			
12/20/2016			8						
12/21/2016						9.53			
12/22/2016									
WEEKLY TOTAL	0	0	8	0	0	27.48	0	0	0
12/23/2016			8						
12/24/2016			4						
12/25/2016			12						
12/26/2016	5.57					3.77			
12/27/2016						1.47			
12/28/2016						4.98			
12/29/2016			5						
WEEKLY TOTAL	5.57	0	29	0	0	10.22	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
12/30/2016						9.15			
12/31/2016									
1/1/2017			12						
1/2/2017	8.65								

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

Timesheets for Mike Jensen provided to the Office of Auditor of State by the County Auditor's Office in December 2017.

8/8/2016						9.4			
8/9/2016				8					
8/10/2016									
8/11/2016						9.3			
WEEKLY TOTAL	0	0	0	8	0	28.2	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
8/12/2016						7.5			
8/13/2016						6.8			
8/14/2016						8.63			
8/15/2016						8.72			
8/16/2016				7.5					
8/17/2016						9.5			
8/18/2016									
WEEKLY TOTAL	0	0	0	7.5	0	41.15	0	0	0
8/19/2016						9.1			
8/20/2016									
8/21/2016									
8/22/2016						5.58			
8/23/2016				7.5					
8/24/2016						9.4			
8/25/2016									
WEEKLY TOTAL	0	0	0	7.5	0	24.08	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
8/26/2016						8.75			
8/27/2016						1.5			
8/28/2016									
8/29/2016						9.9			
8/30/2016				3					
8/31/2016						10.18			
9/1/2016									
WEEKLY TOTAL	0	0	0	3	0	30.33	0	0	0
9/2/2016						9.62			
9/3/2016									
9/4/2016									
9/5/2016	4.92			8					

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Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

9/6/2016									
9/7/2016						12.53			
9/8/2016						11.78			
WEEKLY TOTAL	4.92	0	0	8	0	33.93	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
9/9/2016						13			
9/10/2016						6.13			
9/11/2016						2.5			
9/12/2016						9.5			
9/13/2016									
9/14/2016						13.18			
9/15/2016	11.52								
WEEKLY TOTAL	11.52	0	0	0	0	44.31	0	0	0
9/16/2016									
9/17/2016						12.23			
9/18/2016									
9/19/2016						9.35			
9/20/2016						9.78			
9/21/2016									
9/22/2016									
WEEKLY TOTAL	0	0	0	0	0	31.36	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
9/23/2016						8.3			
9/24/2016									
9/25/2016									
9/26/2016						9.25			
9/27/2016				5					
9/28/2016						9.27			
9/29/2016									
WEEKLY TOTAL	0	0	0	5	0	26.82	0	0	0
9/30/2016						9.3			
10/1/2016	10								
10/2/2016									
10/3/2016						9.32			
10/4/2016						9.75			

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

10/5/2016									
10/6/2016						10.13			
WEEKLY TOTAL	10	0	0	0	0	38.5	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
10/7/2016						8.2			
10/8/2016									
10/9/2016									
10/10/2016						9.28			
10/11/2016					9				
10/12/2016					9				
10/13/2016					9				
WEEKLY TOTAL	0	0	0	0	27	17.48	0	0	0
10/14/2016						9.2			
10/15/2016									
10/16/2016	9.33								
10/17/2016	12								
10/18/2016									
10/19/2016						9.52			
10/20/2016						1.62			
WEEKLY TOTAL	21.33	0	0	0	0	20.34	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
10/21/2016	11.62								
10/22/2016						2.37			
10/23/2016									
10/24/2016						9.92			
10/25/2016						9.28			
10/26/2016						6.27			
10/27/2016				5.5					
WEEKLY TOTAL	11.62	0	0	5.5	0	27.84	0	0	0
10/28/2016						8.33			
10/29/2016									
10/30/2016									
10/31/2016						9.5			
11/1/2016				5.5					
11/2/2016						8.93			

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Report on Special Investigation of the Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

11/3/2016						3.13			
WEEKLY TOTAL	0	0	0	5.5	0	29.89	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
11/4/2016						2.88			
11/5/2016									
11/6/2016									
11/7/2016						9.33			
11/8/2016				7					
11/9/2016						9.37			
11/10/2016						10.72			
WEEKLY TOTAL	0	0	0	7	0	32.3	0	0	0
11/11/2016									
11/12/2016			12			2.9			
11/13/2016									
11/14/2016						9.53			
11/15/2016									
11/16/2016						9.5			
11/17/2016				7					
WEEKLY TOTAL	0	0	12	7	0	21.93	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
11/18/2016						9.54			
11/19/2016						0.7			
11/20/2016									
11/21/2016						9.47			
11/22/2016									
11/23/2016						9.32			
11/24/2016			12						
WEEKLY TOTAL	0	0	12	0	0	29.03	0	0	0
11/25/2016			12			8			
11/26/2016									
11/27/2016									
11/28/2016						4.98			
11/29/2016						4.92			
11/30/2016						9.07			
12/1/2016									

Report on Special Investigation of the
Shelby County Emergency Management Agency

Copies of Certain Timesheets for Michael Jensen

WEEKLY TOTAL	0	0	12	0	0	26.97	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
12/2/2016						8.73			
12/3/2016									
12/4/2016									
12/5/2016						9.15			
12/6/2016			8		8				
12/7/2016	10.7								
12/8/2016						10.08			
WEEKLY TOTAL	10.7	0	8	0	8	27.96	0	0	0
12/9/2016						5.87			
12/10/2016									
12/11/2016									
12/12/2016						9.1			
12/13/2016			1	8					
12/14/2016						9.37			
12/15/2016									
WEEKLY TOTAL	0	0	1	8	0	24.34	0	0	0
DATE	REG	OT	HOL	VAC	TRN	ADM	E911	ILL	OTH
12/16/2016						8.4			
12/17/2016						4.25			
12/18/2016									
12/19/2016						5.3			
12/20/2016			8						
12/21/2016						9.53			
12/22/2016									
WEEKLY TOTAL	0	0	8	0	0	27.48	0	0	0
12/23/2016			8						
12/24/2016			4						
12/25/2016			12						
12/26/2016	5.57					3.77			
12/27/2016						1.47			
12/28/2016						4.98			
12/29/2016			5						
WEEKLY TOTAL	5.57	0	29	0	0	10.22	0	0	0