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Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Kinloch Fire Protection District

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Kinloch Fire Protection District

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA Missouri State Auditor

To the Board of Directors
Kinloch Fire Protection District

We have conducted follow-up work on audit report findings contained in Report No. 2018-038, *Kinloch Fire Protection District* (rated as Poor), issued in June 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the 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 AFTER work conducted, we reviewed documentation provided by district officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the district included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during April and May 2019.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

Kinloch Fire Protection District

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Status of Findings

1. **Misappropriated Monies** Between January 1, 2014, and March 20, 2017, district disbursements totaling at least \$98,189 were improper or unsupported. Former Board President Jayna Small and former Fire Chief Darren Small, misappropriated approximately \$72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional \$25,705 in unsupported disbursements during this period was not retained and the propriety or impropriety of these disbursements could not be determined.

Unsupported payments totaling \$6,200 were made to the former Fire Chief and Fire Captains, with one check indicating the payment was for a bonus. These individuals served on a volunteer basis and were not compensated. Also, checks totaling \$1,090 were issued to Board members for Board meeting attendance fees, but these payments were not subject to payroll and income tax withholdings or reported by the district on W-2 forms.

Recommendation The Board of Directors should ensure the propriety of all district disbursements and ensure detailed documentation is obtained and retained to support all disbursements. The Board should take necessary action to recover the improperly disbursed monies. In addition, the Board should discontinue the practice of paying bonuses, ensure compensation paid is subject to proper withholdings, and procedures are established to prepare and file W-2 forms with the Internal Revenue Service (IRS) as required.

Status **In Progress**

The Board of Directors has taken steps to ensure the propriety of all district disbursements. The Board is holding meetings on a regular basis, has adopted an accounting policy, and all checks are signed by 2 Board members. However, many of these steps were not initiated until after our initial follow-up contact with the district on February 8, 2019, to discuss the status of various findings and request documentation. In addition, as noted throughout the remainder of this report, further improvements are still necessary.

We confirmed the district is receiving restitution payments approximately monthly.

According to district personnel, neither district employees or Board members are receiving any compensation, including bonuses. Our review of the district's personnel listing and accounting records for the period of June 2018 through April 2019 confirmed that district employees or Board members received no bonus payments or other compensation during this period.

2. **Board of Directors Oversight and Elections** The Board did not perform sufficient oversight of district accounting activities. In addition, the district did not comply with state law regarding the election and appointment of members to the Board.



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2.1 Oversight

The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President.

Recommendation

The Board of Directors segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, a documented periodic review of the district's accounting records should be performed, and monthly financial reports should be prepared and approved by the Board and filed with the Board minutes.

Status

Not Implemented

In February 2019, following our initial follow-up contact, district personnel drafted an accounting policy that indicates general oversight of the district finances and procedures are the responsibility of the Board of Directors and financial records will be reviewed monthly and annually. However, this policy was not formally approved by the Board until July 15, 2019, and follow up work shows the Board has not implemented the oversight responsibilities.

The district has not segregated accounting duties or implemented appropriate reviews and monitoring over various accounting functions. The district hired an accounting firm in June 2018 to provide bookkeeping services for the district. However, there is no indication the district's accounting records are periodically reviewed by the Board and monthly financial reports were not prepared by the accountant prior to December 31, 2018. Even though the Board started receiving such reports in 2019, meeting minutes do not indicate whether they are being reviewed and approved by the Board.

2.2 Board of Directors elections and appointments

The district did not hold elections for members of the Board, or appoint members due to vacancies, in compliance with state law. The district's Board consists of 3 directors who are elected to serve 6-year terms with one director elected biennially.

Recommendation

The Board of Directors ensure elections are held as authorized by state law and Board member vacancies are properly filled.

Status

Implemented

The district called for an election in April 2019 as required by state law to fill the Board director position for the term ending in April 2025.

2.3 Board Elections notification

District personnel did not notify the St. Louis County Board of Elections (BoE) that the district had called for any elections between 1991 and 2016. In the district's 2013 and 2015 elections, the number of candidates equaled the number of vacant board seats. Because these elections were not contested, no election (public vote) was required, however, the BoE was required to publish



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notice of the candidates assuming office. Since the district did not notify the BoE about these elections this information was not published as required.

Recommendation

The Board of Directors work with the BoE to ensure that proper notice is published as required by state law.

Status

Implemented

District personnel notified the BoE that they called for an election in April 2019. We confirmed with the BoE that the district submitted all required documentation for the election.

3. Accounting Controls and Procedures

The district did not maintain adequate accounting records. In addition, controls and procedures over disbursements needed improvement.

3.1 Accounting records

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and a record of receipts was not maintained. In addition, a disbursement ledger was not maintained. Receipts and/or invoices to support disbursements were typically not retained. As a result of this lack of records, the district had no accounting records indicating the amount of cash available at any time and could not reconcile the district's accounting records to the bank.

Recommendation

The Board of Directors ensure prenumbered receipt slips are issued for all monies received and are reconciled to the composition of receipts recorded and deposited. In addition, the Board of Directors should ensure accounting records are maintained including a record of all receipts, disbursements, and cash balances, and monthly bank reconciliations are prepared and maintained for the district's bank account.

Status

Partially Implemented

District personnel indicated that prior to our initial follow-up contact all monies received by the district were given directly to the Fire Chief or other district personnel who transferred them to the Fire Chief for deposit into the district bank account. Receipt slips were not issued when monies were received or transferred to the Fire Chief.

Following our initial follow-up contact, district personnel drafted an accounting policy to address how monies received by the district should be handled and modified the district's receipting procedures. According to the revised procedures, all monies received are to be locked in a safe until a Board member is available to assist with preparing and making the deposit. Receipt slips are only required to be issued for cash receipts. Because district personnel do not issue receipt slips for all monies received, the Board cannot



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ensure all monies received have been deposited and recorded in district accounting records or the composition of monies received are reconciled to the composition of deposits.

According to district personnel, bank reconciliations are prepared monthly by the accountant. We reviewed the May 31, 2019, bank reconciliation prepared on June 25, 2019, and noted the register balance as of June 25, 2019, per the bank reconciliation was overstated by approximately \$6,950 due to the district's accounting records not being updated timely. We noted 13 checks issued between May 28, 2019 and June 11, 2019, and a deposit on June 10, 2019, had not been recorded in the district's accounting records as of June 25, 2019.

3.2 Disbursement review
and approval process

The district's disbursement review and approval process needs significant improvement. The Board could not provide any documentation supporting review and approval of bills paid. In addition, the Board did not receive a copy of the district's bank statements for review.

Recommendation

The Board of Directors ensure complete lists of bills are prepared and the Board's approval is documented and retained. In addition, the Board of Directors should compare the approved list of bills to supporting documentation, canceled checks, and debit card transactions posted to the bank account to ensure disbursements are appropriate and adequately supported.

Status

Not Implemented

The Board is not provided and does not approve a complete list of bills presented for payment. Documentation of Board approval is limited to the signature of 2 Board members on individual checks issued for payment. There is no indication Board members review and approve individual invoices associated with the payment or ensure the disbursements are appropriate, adequately supported, and agree to amounts invoiced.

We reviewed 26 disbursements clearing the district's bank account in March 2019, and noted each check included the signature of 2 Board members. However, district personnel could not provide supporting documentation for 2 of the 26 disbursements. We reviewed the supporting documentation for the other 24 disbursements and noted the payee and amount disbursed per the check agreed to the supporting documentation.

3.3 District checks

The district does not have adequate controls over checks. Checks were not issued in numerical sequence and only 1 signature was required to issue checks.

Recommendation

The Board of Directors issue checks in numerical sequence, ensure the numerical sequence of checks is properly accounted for, and retain voided



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checks. In addition, the Board of Directors should require dual signatures on all checks.

Status

Partially Implemented

Prior to our initial follow-up contact, the district did not issue checks in numerical sequence. We observed the district is retaining voided checks and checks included dual signatures.

In March 2019, district personnel indicated they began using one dedicated business checkbook to ensure checks are issued in numerical sequence. We reviewed the May 31, 2019, bank reconciliation and noted checks still appeared to be issued out of sequence. For example, the bank reconciliation and accounting records indicate check number 1288 was written on May 7, 2019, and check number 1278 was written on May 23, 2019. However, actual cleared check images show both checks were actually dated April 30, 2019. Checks were entered into accounting records when cleared rather than when written, hampering the district's ability to account for numerical sequence. We also noted check numbers are not always documented in the accounting records. Of 20 checks clearing the bank account in May 2019, the check number was recorded in only 11 instances.

3.4 Debit card

The district did not have a policy restricting or limiting the use of the district's debit card. Between January 1, 2014, and March 20, 2017, 1,366 of the 1,434 district disbursement transactions (95 percent) totaling approximately \$147,000 were transacted using that card.

Recommendation

The Board of Directors adopt formal policies and procedures for debit card use and prohibit cash withdrawals of district funds.

Status

Implemented

District personnel indicated the district no longer uses a debit card. Following our initial follow-up contact, district personnel drafted an accounting policy that prohibits the use of debit cards or checks being made payable to cash, bearer, or an authorized signer. The Board formally approved the policy on July 15, 2019.

We reviewed bank statements for the period January 2019 to May 2019 and did not identify any cash withdrawals or debit card transactions.

3.5 Late fees

The former Board President did not ensure bills were paid timely resulting in the district incurring approximately \$768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017.



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Recommendation The Board of Directors implement procedures to ensure bills are paid timely.

Status **Not Implemented**

The Board has not established procedures to ensure bills are paid timely. The district's poor financial condition during the 3 months ended December 2018 limited district official's ability to pay outstanding bills. However, following the district's receipt of significant property tax revenues in January 2019, certain prior bills were still not paid timely. Our review of supporting documentation for the 24 disbursements with such documentation that cleared the district's bank account in March 2019 determined the district only paid 13 of them timely. The late paid bills included a payment of \$125 for a training invoiced on September 24, 2018, due October 24, 2018, and paid on March 11, 2019 (138 days late). The district had incurred approximately \$31 in late fees in March 2019 related to 4 of these payments. In addition, as of July 31, 2019, the district has not set up a payment plan with the State Auditor's Office (SAO) or made any payments toward the August 2018 audit billing.

3.6 1099-MISC forms The district did not have procedures in place to prepare and file 1099-MISC forms with the IRS, as required.

Recommendation The Board of Directors prepare and file 1099-MISC forms with the IRS as required.

Status **In Progress**

The district did not file a 1099-MISC form with the IRS for accounting services obtained during 2018. Our review of other district expenditures during 2018 did not identify any other situations where a 1099-MISC form should have been filed. The district's accounting policy, formally approved on July 15, 2019, provides for monitoring and filing 1099-MISC forms as necessary.

4. Nepotism In September 2014, Darren Small, the husband of former Board President Jayna Small, was appointed as Fire Chief for the district. The district did not prepare or could not locate Board meeting minutes documenting this appointment. As a result, it was unclear if the former Board President recused herself from participating in all Board discussions and/or voting for this appointment.

Recommendation The Board of Directors ensure Board members abstain from voting when a relative's appointment is involved, and ensure compliance with the Missouri Constitution related to hiring relatives.



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Status

Implemented

District personnel indicated no related party situations exist, including contracts, involving the Board members and/or firefighters. The district's accounting policy, formally approved on July 15, 2019, contains multiple statements regarding related parties, conflicts of interest, preferential treatment, and associated prohibited practices.

5. Procurement Procedures and Agreements

Controls and procedures over the district's bidding and written agreement procedures needed improvement.

5.1 Bidding

The district did not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017. In addition, while not specifically required by state law, the district did not solicit bids for other significant purchases such as comprehensive general and vehicle liability insurance.

The district entered into an agreement with the district's Assistant Fire Chief to complete plan reviews and inspections for commercial building construction without soliciting bids for these services.

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. In addition, the Board of Directors should refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented.

Status

Partially Implemented

Following our initial follow-up contact, district personnel developed an accounting policy that includes bidding requirements and related documentation. The Board formally approved this policy on July 15, 2019.

We reviewed the accounting policy and noted it addresses the purchase of goods or services from a related party and requires the district to obtain at least one additional bid from an unrelated entity. The competitive bidding requirements in the policy do not comply with statutory provisions because there is no requirement for the district to publish notice for bids for certain expenditures of \$10,000 or more.

In addition, we reviewed district expenditures made between January 2019 and May 2019 for any significant expenditures requiring bidding, and identified the district purchased a Fire Chief command vehicle for \$13,515 in March 2019. District personnel obtained 3 bids in accordance with the accounting policy, but the Board did not document its justification for selecting the highest bid received. District personnel told us recently they



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contacted 3 CPA firms about performing the district's required biennial audit. On June 25, 2019, the district entered into an agreement with one of the firms to conduct the audit at an anticipated cost in excess of \$10,000. The district did not publish notice for bids for this service as required by law. Our review did not identify any situations where the Board entered into business transactions with related parties.

5.2 Written agreements

The district entered into agreements with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. In addition, the district fully paid both permit inspection agreements prior to services being fully rendered.

Recommendation

The Board of Directors enter into signed, written agreements defining the scope of services to be provided, benefits to be received, and the manner and amount of compensation to be paid. In addition, the Board of Directors should refrain from making payments for services not substantially rendered.

Status

In Progress

District personnel indicated since April 2018, the district had entered into written agreements with a local fire protection district to provide fire marshal services for the district and an accounting firm to provide bookkeeping services. We reviewed these agreements and noted neither had been signed and the agreement with the local fire protection district did not include a fee schedule. However, in February 2019, following our initial follow-up contact, the district modified the scope of services to be provided by the accountant, and a new agreement was signed by the Board.

At its May 24, 2019, meeting the Board voted to terminate the agreement with the local fire protection district and enter into a written agreement with a local consulting firm to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. The Board signed this agreement on August 12, 2019.

The district's accounting policy, formally approved on July 15, 2019, requires all conditions and specifications of a contract or order to be satisfactorily fulfilled prior to authorizing payment.

5.3 Loan

The district improperly paid for trash services for the City of Kinloch and the city still owed the district \$331 for payments made on the city's behalf for these services.

Recommendation

The Board of Directors prohibit lending of district funds, and pursue reimbursement from the city for unreimbursed payments.



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Status

In Progress

Prior to our initial follow-up contact, the district had not adopted a policy prohibiting lending of district funds. However, following this contact, district officials formally approved an accounting policy on July 15, 2019, that indicates purchases for other organizations is prohibited.

On May 17, 2019, district personnel acknowledged no action had been taken to pursue reimbursement from the city for unreimbursed trash services paid on behalf of the city. On May 21, 2019, district personnel contacted the city to request the reimbursement. As of August 12, 2019, the district has not been reimbursed.

6. Budgets and Financial Reporting

Annual budgets were not prepared for district funds and significant improvement was needed in financial reporting practices.

6.1 Budgets

The district did not prepare annual budgets for district funds as required by state law.

Recommendation

The Board of Directors prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.

Status

Not Implemented

The Board did not approve the annual budget for fiscal year 2019 until July 15, 2019. According to district personnel, the proposed budget had been developed in December 2018, but not formally reviewed or approved by the Board.

We reviewed the approved budget and noted it did not include the required comparative statement of revenues and expenditures for the 2 prior years, budget message, or general budget summary. In addition, the total estimated expenditures per the budget was not reasonable. According to district bank statements, the district expended almost \$85,000 between January 1, 2019, and May 31, 2019. However, according to the approved budget, total expenditures for 2019 were estimated to be approximately \$57,156. As of May 31, 2019, the district had already exceeded the approved budget by almost \$28,000.

Our review of the approved budget noted the district had only budgeted \$5,000 for insurance coverage, however, as of May 31, 2019, the district had already paid approximately \$15,000 for this coverage. In addition, the district purchased a vehicle in March 2019 for \$13,515, however, this vehicle purchase was not included in the approved budget.



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6.2 Financial reporting

The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016. Financial reports submitted to the SAO for certain previous years were inaccurate. In addition, the district had not filed financial statements with the St. Louis County Clerk's office as required by state law since 1977.

Recommendation

The Board of Directors file accurate financial reports with the SAO and the St. Louis County Clerk's office annually as required by state law.

Status

Implemented

The district submitted a financial report to the SAO for the year ended December 31, 2017, on August 1, 2018, and for the year ended December 31, 2018, on April 23, 2019. Our review of the financial report submitted for the year ended December 31, 2017, identified errors in information reported. Based on our review and discussion with the district accountant, district personnel revised the financial report for the year ended December 31, 2017, and resubmitted it on April 23, 2019. District personnel filed the 2018 financial statements with the St. Louis County Clerk's office on August 13, 2019.

6.3 Audits

The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and December 31, 2016.

Recommendation

The Board of Directors ensure audits of financial statements are completed and filed with the SAO as required by state law.

Status

In Progress

Prior to our initial follow-up contact, the district had not taken steps to secure a financial audit for the 2 fiscal years ended December 31, 2018. In May 2019, following additional inquiries by our office, the Fire Chief contacted three CPA firms to conduct the required audit. On June 25, 2019, the district accepted an audit proposal from one of the firms and signed an engagement letter.

7. Capital Assets and Fuel and Vehicle Usage

Controls and procedures over the district's property and fuel and vehicle usage needed improvement. In addition, a vehicle donated to the district was not titled or registered with the Missouri Department of Revenue (DOR) in the district's name.

7.1 Capital assets

The district did not maintain records of capital assets, including a fire truck, district vehicle, equipment, and other district property. In addition, district personnel did not tag assets for specific identification or perform physical inventories on a periodic basis.



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Recommendation

The Board of Directors ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board of Directors should also ensure assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

Status

In Progress

Prior to our initial follow-up contact, district personnel had not prepared a comprehensive list of the district's capital assets or established procedures to tag assets or perform physical inventories. Since that time they have created an accounting policy that establishes procedures for tracking, tagging, and performing annual inventories of capital assets costing more than \$5,000 and this policy was formally approved by the Board on July 15, 2019.

7.2 Fuel and vehicle usage

The district had not established effective monitoring procedures over fuel and vehicle usage. The district maintained a fuel log for the fire truck, but fuel purchases were not consistently documented in this log. The district did not maintain a fuel log for the other district vehicle, which was driven exclusively by the former Fire Chief during the audit period. In addition, vehicle usage logs were not documented for either vehicle.

Recommendation

The Board of Directors establish adequate records and procedures to effectively monitor vehicle and fuel use.

Status

Not Implemented

The district has not established adequate records or procedures to monitor fuel and vehicle use. While the district placed fuel logs in district vehicles on August 4, 2019, the district does not require vehicle usage to be documented for all district vehicles, including the fire truck or vehicles used exclusively by the Fire Chief and/or Assistant Fire Chief.

7.3 Commuting miles

The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS, and a vehicle usage log indicating business and personal use of the vehicle was not maintained.

Recommendation

The Board of Directors comply with IRS guidelines for reporting fringe benefits related to personal miles and require logs that distinguish between business and personal use.



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Status

Not Implemented

District vehicles are now marked, but vehicle logs documenting business and personal use are not maintained. Personal use of district vehicles was not reported for 2018, as required by IRS reporting guidelines.

7.4 Vehicle title and registration

The district failed to title and register a vehicle donated to the district with the DOR.

Recommendation

The Board of Directors ensure district vehicles are properly titled and registered with the DOR as required by law.

Status

In Progress

As of August 12, 2019, this district vehicle had not been properly titled and registered with the DOR. District personnel indicated they have been communicating with the donating district and the DOR to try to resolve this issue. Two additional vehicles purchased by the district in July 2017 and March 2019 were properly titled and registered in the district's name.

8 Sunshine Law, Compliance, and Bylaws

The district did not always ensure compliance with the Sunshine Law, and the district did not obtain surety bonds for Board members. Written guidelines for the administration of the district were not developed and maintained.

8.1 Meeting minutes and notices

District personnel did not prepare or could not locate meeting notices, tentative agendas, or minutes for any Board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. In addition, they could not provide documentation the district's tax rates were formally approved by the Board.

Recommendation

The Board of Directors maintain complete and accurate minutes for all meetings and ensure proper notification and agendas for public meetings are given. In addition, a public hearing should be held annually to determine and set the property tax levy.

Status

Partially Implemented

District personnel indicated Board meetings are held monthly and the district notifies the public of these meetings on its website and by posting notices at the fire station. In addition, they indicated a public hearing was held to set the property tax levy in September 2018.

During our initial follow-up contact with the district, we requested district personnel provide copies of all Board meeting minutes and associated notices and agendas for meetings held between June 2018 and January 2019 by February 15, 2019. However, this information was not provided to our office until February 26, 2019, March 9, 2019, and April 16, 2019. Due to the



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significant delays in obtaining these records, we extended our request to include Board meeting minutes through March 2019. District personnel indicated while monthly Board meetings had been recorded, written minutes had not been prepared for these meetings prior to our initial request. In addition, they indicated minutes for the March 2019 Board meeting could not be prepared because the Board failed to record this meeting. District personnel could not provide meeting notices or agendas for all Board meetings held during the time period requested.

None of the minutes provided were signed by the preparer or Board members, but all minutes noted Board members had reviewed and approved the minutes for the prior meeting. This statement cannot be accurate because no one prepared written minutes prior to the next meeting for meetings that occurred prior to February 2019.

The Board held a September 2018 tax rate hearing and prepared minutes documenting the meeting. Two additional meetings occurred in October to modify the district's tax rates for 2018, but no one prepared minutes to document these meetings.

8.2 Public access policy

The district had not adopted a written policy regarding public access to district records as required by state law.

Recommendation

The Board of Directors develop written policies regarding procedures to obtain access to, or copies of, public records.

Status

Not Implemented

The district has not developed written policies regarding procedures to obtain access to, or copies of, public records. District personnel indicated the Board intends to make meeting minutes publicly available on the district's website, but had no plans regarding other district records that would also be considered public records.

8.3 Surety bonds

The district had not obtained corporate surety bonds for Board members, or filed these bonds with the St. Louis County Circuit Clerk.

Recommendation

The Board of Directors obtain and file corporate surety bonds with the Circuit Clerk as required by law.

Status

Partially Implemented

At the time of our initial follow-up contact, Board members had not obtained corporate surety bonds. However, on April 22, 2019, the district modified its insurance policy to include public official liability coverage, to fulfill the surety bond requirement. According to the St. Louis County Circuit Clerk's



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office, as of August 12, 2019, the district had not filed this information with the Circuit Clerk as required by law.

8.4 Bylaws

The district did not have up-to-date and comprehensive bylaws. In addition, the Board did not maintain ordinances and resolutions in an organized manner and signed copies of ordinances and resolutions documenting Board approval were not always retained.

Recommendation

The Board of Directors ensure up-to-date bylaws are documented and are readily available to employees and the public. In addition, maintain a complete updated set of district ordinances and resolutions in an organized manner and ensure a signed copy of all district ordinances and resolutions are retained.

Status

Not Implemented

District officials have not adopted bylaws and have not organized the district's ordinances and resolutions or ensured all approved versions are available.

We requested copies of all ordinances or resolutions the district passed since June 2018. District personnel could only provide a copy of one resolution passed in September 2018, establishing the 2018 tax rates. However, this resolution was modified in October 2018 and the final resolution was not provided.