



Dave Yost • Auditor of State

**CENTRAL JOINT FIRE-EMS DISTRICT
TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditors' Report.....	3
Supplement to the Special Audit Report	
Background	5
Issue No. 1 - Disbursements.....	6
Issue No. 2 - Receipts.....	8

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITORS' REPORT

Central Joint Fire-EMS District
2401 Old State Route 32
Batavia, OH 45103

We conducted a special audit of the Central Joint Fire-EMS District (the District) by performing the procedures enumerated in the attached Supplement to the Special Audit Report for the period January 1, 2011 through August 6, 2013, (the Period) solely to:

- Examine supporting documentation for certain disbursements made by the District to ensure they were for a purpose related to District operations.
- Examine supporting documentation for certain receipts from medical billings to ensure money received was recorded in the UAN¹ system and deposited intact to a District account.

This engagement was conducted in accordance with the Quality Standards for Inspection and Evaluation established by the Council of the Inspectors General on Integrity and Efficiency (January 2012). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined compensation paid to the former fiscal officer, Roxanne Yaussy, during the Period to determine if she was compensated in accordance with amounts authorized by the District. We examined non-payroll disbursements issued to Ms. Yaussy during the Period and determined whether they were for a purpose related to the operations of the District. We examined all non-payroll disbursements voided by the District during the Period and determined whether the disbursement was voided for a valid reason.

Significant Results: We determined Ms. Yaussy was compensated at a rate that was not authorized by the District resulting in unauthorized pay totaling \$3,517. In addition, Ms. Yaussy was compensated at an incorrect rate for her unused vacation leave when she resigned in August 2013 resulting in an overpayment of \$62. We issued a finding for recovery against Ms. Yaussy totaling \$3,579 for public monies illegally expended.

The District issued 80 non-payroll disbursements to Ms. Yaussy totaling \$67,404. We determined 66 of these disbursements totaling \$66,017 were voided in the District's UAN system, had no supporting documentation, and were not for a purpose related to the operations of the District. Although these 66 checks were recorded in UAN as voided, they cleared the District's bank account payable to Ms. Yaussy. We issued a finding for recovery against Ms. Yaussy totaling \$66,017 for public monies illegally expended.

¹ The Uniform Accounting Network (UAN) is a financial software package created by the Auditor of State's office to support the accounting, payroll and financial management activities of local governments in Ohio.

The District issued five non-payroll disbursements to vendors totaling \$22,829 that were voided in the District's UAN system, had no supporting documentation, and were not for a purpose related to the operations of the District. Although these checks were recorded in UAN as voided, they cleared the District's bank account and were payable to vendors that benefitted Ms. Yaussy personally. We issued a finding for recovery against Ms. Yaussy totaling \$22,829 for public monies illegally expended.

We issued a management recommendation regarding monitoring financial activity.

2. We examined supporting documentation for checks issued to the District for certain medical billings to ensure monies received were recorded in their UAN system and deposited intact to a District bank account.

Significant Results: We determined Medicount Management, Inc., a nationwide emergency medical services billing company, issued 18 checks totaling \$347,596 to the District for the Period. The District deposited all 18 checks totaling \$347,596 into their bank account; however, did not record one payment received totaling \$7,428 into their UAN system. The Center for Medicaid and Medicare Services (CMS) issued 103 checks totaling \$213,598 to the District for the Period. The District deposited 101 checks totaling \$210,505 into their bank account. Two checks totaling \$3,094 were not deposited; however, the District has no record the checks were received and to date has been unable to verify with CMS the two checks cleared CMS's bank account. The District did not record four payments received from CMS totaling \$1,906 into their UAN system.

We issued a management recommendation regarding maintaining accurate accounting records.

3. On March 17, 2014, we held an exit conference with the following individuals representing the District:

Kevin L. Riley, Fire Chief
Ann Lock, Fiscal Officer
Jennifer Haley, Board Member

The attendees were informed that they had five business days to respond to this special audit report. A response was received on March 18, 2014. The response was evaluated and changes were made to this report as we deemed necessary.



Dave Yost
Auditor of State

March 17, 2014

Supplement to the Special Audit Report

Background

On September 26, 2013, Kevin Riley, Fire Chief of the Central Joint Fire-EMS District contacted an audit manager with the Auditor of State's (AOS) Southwest regional office to notify the AOS of an alleged theft involving the District's former Fiscal Officer, Roxanne Yaussy.

The former fiscal officer resigned on August 6, 2013, and Chief Riley was appointed by the District's governing board on August 8, 2013, as the fiscal officer pro-tem. In August 2013, Chief Riley attempted to reconcile the District's bank account and could not locate any bank statements. He contacted the bank for bank statements and noticed voided checks recorded in the District's UAN system that cleared their bank account. The checks were manually written and made payable to Ms. Yaussy. Chief Riley examined all the District's disbursements for the period January 2013 to August 2013 and noted 25 checks payable to Ms. Yaussy totaling more than \$25,000 recorded as voided in UAN, but cleared the District's bank account.

On October 22, 2013, representatives of the AOS's Special Audit Section and Special Investigations Unit met with Chief Riley and representatives of the Clermont County Sheriff's Office. Chief Riley provided the AOS with a Payment Listing report from UAN, bank statements, and copies of cancelled checks to support the alleged theft. The AOS performed a preliminary examination of the documents provided and identified an additional seven voided checks that cleared the District's bank account totaling approximately \$7,900 that were payable to Ms. Yaussy. At the meeting the AOS representatives also preliminarily reviewed the District's UAN payment register for the years 2009 through 2012 and identified 213 voided checks. During the preliminary review of the payment ledgers for the years 2009 through 2012 they noted voided checks recorded in 2009 and 2010 did not clear the District's bank account.

On November 1, 2013, the AOS initiated a special audit of the District to examine all payments issued to Ms. Yaussy and determine whether other risk areas existed that warranted examination.

On February 13, 2014, Ms. Yaussy was indicted on a criminal charge for theft in office.

Supplement to the Special Audit Report

Objective No. 1 - Examine supporting documentation for certain disbursements made by the District to ensure they were for a purpose related to District operations.

PROCEDURES

We examined the District's minutes and payroll records supporting the compensation paid to Ms. Yaussy during the Period and determined whether she was compensated in accordance with authorized amounts.

We identified all non-payroll disbursements payable to Ms. Yaussy during the Period by examining the District's cancelled checks. We examined available documentation supporting the disbursement was for a purpose related to District operations.

We scanned all other cancelled checks not payable to Ms. Yaussy. We examined all non-payroll disbursements voided in UAN during the Period to determine whether they cleared the District's bank account warranting further examination of whether they were for a purpose related to District operations.

RESULTS

We reviewed the District's board meeting minutes for 2009, when Ms. Yaussy was hired, through her termination on August 5, 2013, to determine her authorized salary for the Period. We determined Ms. Yaussy received compensation at a rate higher than authorized beginning in April 2010. From the period April 5, 2010 through August 2, 2013, Ms. Yaussy received unauthorized compensation totaling \$3,517.

FY	Actual Salary	Authorized Salary	Overpayment
2010	\$ 30,764	\$ 29,962	\$ 802
2011	31,608	30,584	1,024
2012	32,491	31,501	990
2013	21,704	21,003	701
Totals	\$ 116,567	\$ 113,050	\$3,517

In addition, Ms. Yaussy received payment for 110.78 hours of unused vacation and eight hours for her last day of employment at an incorrect rate resulting in an overpayment of \$62.

Our scan of cancelled checks identified 80 non-payroll checks issued to Ms. Yaussy totaling \$67,404. We determined 66 of these checks totaling \$66,017 were voided in the District's UAN system and had no documentation supporting their purpose. As such, we concluded they were not for a purpose related to the operations of the District.

We reviewed the District's UAN payment register and identified 110 additional voided check entries. We examined District bank statements and cancelled checks and determined six of the 110 checks totaling \$23,362 cleared the District's bank account. Five of the six checks totaling \$22,829 did not have supporting documentation and were made payable to a mortgage loan servicing company unrelated to the District, a financial institution with which the District does not do business, and a university which Ms. Yaussy had attended certain courses. As such we concluded they were not related to District operations.

Supplement to the Special Audit Report

FINDING FOR RECOVERY

Beginning in April 2010, Roxanne Yaussy received compensation at an unauthorized rate resulting in an overpayment of \$3,517. In addition, Ms. Yaussy was over compensated \$62 for her unused vacation leave and her last day of employment with the District.

As the District's fiscal officer, Ms. Yaussy issued 66 checks totaling \$66,017 payable to herself for which there was no documentation supporting the payments were authorized and for a purpose related to the District. In addition, Ms. Yaussy issued five checks totaling \$22,829 payable to vendors that were not authorized and were for Ms. Yaussy's personal purposes.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$92,425 against Roxanne Yaussy in favor of the Central Joint Fire-EMS District.

MANAGEMENT RECOMMENDATION

During the Period, 72 checks were recorded as voided in UAN, however, they cleared the District's bank account totaling \$89,379. The fiscal officer provided the fire chief with monthly bank reconciliations for review that appeared to be properly reconciled but no other documentation was provided or reviewed by management or the governing board.

Management and the governing board should carefully review financial activity and make appropriate inquiries to reduce the risk of fraud or theft and ensure the integrity of the District's financial information. For example management can review monthly payment registers, receipt registers, and cash journals from UAN in addition to the monthly reconciliations to ensure the financial activity of the District has been recorded and presented accurately.

Supplement to the Special Audit Report

Objective No. 2 - Examine supporting documentation for certain receipts from medical billings to ensure money received was recorded in the UAN system and deposited intact to a District account.

PROCEDURES

We compared receipts recorded in the District's UAN system and deposits made by the Fiscal Officer during the Period to confirmations received from Medicount Management, Inc. and the Center for Medicaid and Medicare Services (CMS).

RESULTS

The District received payments for emergency medical services provided in response to emergency calls received within the District from Medicount Management, Inc. The District also received payments from CMS and CGS Administrators for Medicare claims related to the emergency medical services provided.

CMS issued checks for Medicare payments to the District from January 2011 through June 2012 for the Period. Beginning in July 2012, CGS Administrators processed Medicare payments for the District and they were received by direct deposit, therefore, we determined not to test these receipts. We did not examine receipts recorded for Medicount Management, Inc. in 2011 because they were confirmed 100% during the District's fiscal year 2010-2011 financial audit.

We confirmed that Medicount Management, Inc. issued 18 checks totaling \$347,596 to the District for the Period. We determined that the District deposited all 18 checks received from Medicount Management, Inc. totaling \$347,596, however, the District only recorded 17 of these receipts totaling \$340,168 in the UAN system. The District did not record a check issued by Medicount Management, Inc. for \$7,428 in February 2012 that was deposited by the District on February 29, 2012.

We confirmed that CMS issued 103 checks totaling \$213,598 to the District for the Period and we determined the District deposited 101 checks from CMS totaling \$210,505. Two checks totaling \$3,094 were not deposited; however, the District has no record the checks were received and to date has been unable to verify with CMS the two checks cleared CMS's bank account. The District did not record four payments received from CMS totaling \$1,906 into their UAN system.

MANAGEMENT RECOMMENDATION

The District should maintain an accounting system and accounting records sufficient to enable them to identify, assemble, analyze, classify, record and report their transactions. During the Period, we noted the District received one check from Medicount Management totaling \$7,428 and four checks from the Center of Medicaid and Medicare Services totaling \$1,906 for medical billings that were not recorded in the UAN system but were deposited into their bank account.

Failure to properly document and record financial transactions increases the risk of misappropriated funds. We recommend all transactions be recorded and properly posted and reviewed for accuracy.



Dave Yost • Auditor of State

CENTRAL JOINT FIRE-EMS DISTRICT

CLERMONT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 3, 2014**