

Audits of 9-1-1 Districts



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Legal Authority

- *Code of Alabama 1975*, Section 11-98-1, et seq.
- District may be created by a resolution of the County Commission or by an ordinance of the Municipality
- District may be governed by seven Board Members appointed by the creating authority (i.e., the Commission or Muni)

How was your 9-1-1 Board organized?

- If your District has an appointed Board of Commissioners, you will follow the guidance in GASB 34 for a stand-alone government.
- If your District is controlled by your municipality or county commission, your financial reporting is included in that government's financial statements.

What is a Stand-Alone Government?

A legally separate government that does not have a separately elected governing body but does not meet the definition of a component unit.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

GASB

- Governmental Accounting Standards Board (GASB) sets the standards of financial accounting and reporting for state and local governmental entities.
- These standards are contained in Statements issued by the GASB.
- GASB Statement 34, as amended sets the current governmental reporting model.

Government-Wide Financial Statements

- Statement of Net Assets – Balance Sheet information – includes all assets and liabilities
- Statement of Activities – results of the year's operations- full accrual

Report government as a whole using the economic resources measurement focus and the accrual basis of accounting – accounting model used by private-sector businesses.

Fund Financial Statements

- Governmental Fund Statements:
 - Balance Sheet – focusing on major funds (with a reconciliation to Statement of Net Assets)
 - Statement of Revenues, Expenditures and Changes in Fund Balances - focusing on major funds (with a reconciliation to the Statement of Activities)

Presented using the current financial resources measurement focus and the modified accrual basis of accounting – traditional governmental accounting model.

Financial Documents Needed

- General Ledger – Pre-Closing Trial Balance
- Revenue Subsidiary Reports
- Expenditure Subsidiary Reports

Cash and Investments

- Copies of Bank Reconciliations
- Copies of October Bank Statements
- Copies of Outstanding Check Lists
- Copies of Deposits in Transit
- Explanations of any reconciling items
- Lists of Investments (including account or CD #'s and purchase/maturity dates)

Receivables

- Detailed lists of receivables including amount to be received and from whom the amount is due.
- Indicate on listing date of receipt and receipt number.
- Interfund receivables should be detailed and should be in balance.

Capital Assets

- Detailed Subsidiary Listing of All Assets by Expenditure Function
- Detailed Listings of Current Year Additions and Deletions
- Reconciliation of Capital Outlay Expenditures and Additions
- Depreciation Schedules by Expenditure Function

Payables

- Detailed listing of vendors or governments owed and amounts.
- Reconciliations of payroll withholding accounts

Accrued Salaries Payable

- Detail of amounts owed to employees but not paid at year end.

Estimated Liability for Compensated Absences

- Copy of Leave Policy
- Listing of Employees, Rates of Pay at 9/30, Leave Balances, and Calculation of Liability by Fund.
- Add Board Matching Payroll Taxes to Estimate of Fund Liability
- Listing of retirements of employees in October

Short-Term/Long-Term Notes Payable

- Copies of Note Payable
- Principal Payments made during year

Operating Leases

- Total paid on all operating leases for fiscal year.
- Copies of lease agreements

Capital Leases

- Copies of lease-purchase agreements
- Copies of amortization (debt service) schedules

Warrants Payable

- Copies of Official Statements and Closing Documents
- Copies of Bank Statements pertaining to debt issues.
- Copies of Debt Service Schedules
- Copies of Escrow Trust Agreements

Budget Information

- Copy of Original Budget Approved by Board, by Fund
- Copies of Final Amended Budgets, if applicable

Revenues

- Receipt books for all funds collected
- Detailed listing of any federal grants (include amount of federal expenditures)
- Copies of grant agreements
- Copies of financial reports required to be submitted on grant activity

Expenditures

- Maintain documentation to support all expenditures
 - Purchase Orders
 - Signed Receiving Slip
 - Original Invoice/Receipt (Credit Card Statement alone-not sufficient documentation)
- Make sure all expenditures are in compliance with all applicable laws and regulations

Section 94 of the *Alabama Constitution of 1901*

- “It is provided, however, that the legislature may enact general, special, or local laws authorizing political subdivisions and public bodies to alienate, with or without a valuable consideration, public parks and playgrounds, or other public recreational facilities and public housing projects, conditional upon the approval of a majority of the duly qualified electors of the county, city, town, or other subdivision affected thereby, voting at an election held for such purpose.” (Amendment 112)

Alabama Competitive Bid Law

- Section 41-16-50 et seq, *Code of Alabama 1975*
- Applicable to 9-1-1 Districts
- Applies to the purchase or lease of materials, equipment, supplies or other personal property
- Applies to the expenditure of funds for labor and services
- Recent change – Effective August 1, 2008
\$15,000 (replaces \$7,500)

Bid Documents

- Have all bid files available for review
- Bid files should contain the following: vendor lists, original bid specifications, copies of any required advertisements, original bid documents received, copies of bid bonds, bid tabulations, copy of minutes where Board awarded bid, and any justifications for not selecting the low bidder.

Questions Anyone?

