TENNESSEE COMPTROLLER OF THE TREASURY

WARREN COUNTY EMS-RESCUE SERVICE

Investigative Report

June 9, 2015

Justin P. Wilson, Comptroller

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
FINANCIAL AND COMPLIANCE INVESTIGATIONS

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Gentlemen:

Our office performed an investigation of the Warren County EMS-Rescue Service (WCEMS) for the period January 1, 2013, through June 30, 2014; however, we expanded our scope to include other selected records for the period March 14, 2011, through December 31, 2012. Based on our review of the records for the period and employee interviews, we determined that WCEMS employees received questionable wages totaling $23,834.40. A summary of the deficiencies is noted below:

- Employees of WCEMS received wages totaling $23,834.40 for time either worked at another entity not associated with Warren County government, or not supported by adequate documentation on file at WCEMS. Of this total, $3,514.60 was paid for hours not worked at WCEMS, but at a separate entity. The remaining $20,319.80 was paid for hours not supported by adequate documentation.

- Multiple deficiencies existed in vacation, sick, and compensatory leave.

- Multiple payroll deficiencies existed.

Background

WCEMS is a department of Warren County, Tennessee, and is the only emergency medical and rescue service provider in the county. WCEMS employs approximately 24 full-time emergency medical technicians and paramedics as well as other part-time staff. Full-time employees work one of three 24-hour shifts (shifts A, B or C) on three-day rotations at one of four stations in the county. WCEMS utilized manually prepared time sheets during the period examined, and the time sheets were signed by both the employee and the WCEMS director. WCEMS prepared shift schedules showing the employees on duty, their assigned

station, and the signature of the supervisor or assistant shift supervisor on duty. WCEMS also prepared reports for each ambulance run, which documented the date of the service, time of service, station number, truck number, patient information, services provided, and the employees that provided services.

Findings and recommendations, as a result of our investigation, are presented in this report. We reviewed these findings and recommendations with the current and former Warren County Executives, the county's finance director, and the WCEMS director to provide an opportunity for their response. Also, these findings, recommendations, and management responses have been reviewed with the district attorney general for the Thirty-first Judicial District.

INVESTIGATIVE FINDINGS AND RECOMMENDATIONS

FINDING 1 — EMPLOYEES RECEIVED WAGES TOTALING $23,834.40 FOR TIME WORKED AT ANOTHER ENTITY OR TIME UNDOCUMENTED AT WCEMS

Employees of WCEMS received wages of $23,834.40 for time worked at another entity not associated with Warren County government or for time that was undocumented. According to the *Rules of the Tennessee Department of Health, Bureau of Health Licensure and Regulation, Division of Emergency Medical Services,* Section 1200-12-1-.15, each ambulance service shall maintain "Time cards, time sheets, call rosters, or shift schedules accurately indicating the availability of ambulance service personnel and the crews assigned on each date for each staff ambulance within a specified county or jurisdiction." We reviewed selected time sheets, shift schedules, run reports, and payroll documentation for the period examined. WCEMS did not use time clocks, documenting hours worked on electronic or manual time cards, during the period. After interviews and a review of documentation, we determined that employees did not consistently record actual time worked on time sheets, did not consistently document compensatory leave earned and used on their time sheets, and could not verify dates of training and other authorized non-routine work. We could not locate shift schedules on file before October 1, 2013. After October 1, 2013, we only located 67 shift schedules on file. The lack of supporting documentation reduced our ability to verify employees' hours worked, which could result in the amount of questionable wages being understated. These questionable wages were the result of a lack of management oversight. We noted the following deficiencies:

A. The shift C supervisor and a shift B employee received a total of $3,514.60 in wages from WCEMS for hours worked at a separate entity. These two WCEMS employees began working for the separate entity on March 14, 2011, and November 4, 2013, respectively. For the period March 14, 2011, through June 30, 2014, we compared the employees' time sheets for both entities and noted 256 hours which overlapped. We confirmed the overlapping hours for the shift B employee were for training events held at the separate entity. For these training events, the director authorized the employee to reflect the hours as time worked for both WCEMS and the separate entity. The director also allowed certain employees, including the shift C supervisor, to earn undocumented compensatory leave for extra hours worked,

and reflect compensatory leave used as time worked on time sheets. Therefore, it is possible the shift C supervisor used undocumented compensatory leave at WCEMS on the dates in question. The following table summarizes the questionable wages for overlapping hours recorded on time sheets:

Employee	Time Sheet Date	* WCEMS Time Sheet Hours (A)	** Separate Organization Time Sheet Hours (B)	WCEMS Hourly Rate (C)	Questionable Wages (B x C)
C Supervisor	3/23/2011	24	12	$ 13.40	$ 160.80
C Supervisor	4/22/2011	32	12	13.40	160.80
C Supervisor	5/25/2011	24	11	13.40	147.40
C Supervisor	9/19/2011	24	3	13.64	40.92
C Supervisor	10/4/2011	24	9	13.64	122.76
C Supervisor	11/3/2011	24	2	13.64	27.28
C Supervisor	1/14/2012	24	24	13.64	327.36
C Supervisor	2/25/2012	24	24	13.64	327.36
C Supervisor	3/17/2012	24	24	13.64	327.36
C Supervisor	4/22/2012	24	17	13.64	231.88
C Supervisor	10/25/2012	24	6	12.45	74.70
C Supervisor	8/21/2013	24	13	14.36	186.68
C Supervisor	10/11/2013	24	9	14.36	129.24
B Employee	11/18/2013	24	12	12.90	154.80
C Supervisor	12/19/2013	24 Sick Leave	24	14.36	344.64
B Employee	1/23/2014	24	11	12.90	141.90
C Supervisor	3/17/2014	24	24	14.36	344.64
B Employee	3/18/2014	24	6	12.90	77.40
C Supervisor	4/15/2014	24	13	14.36	186.68
Total			256		$ 3,514.60

* Shift times were 7:00 am to 7:00 am. Employees usually recorded all shift hours on the shift's start date.

** Shift times were 8:00 am to 8:00 am, prior to March 1, 2014. After March 1, 2014, shift times were 7:30am to 7:30am. Employees usually recorded all shift hours on the shift's start date.

B. Twelve employees received a total of $20,319.80 in wages from WCEMS for hours that had no documentation to support the employees were at work. Of this total, $5,679.54 was paid when an employee's timesheet reflected they worked in place of another employee; however, both employees recorded overlapping shift hours on their time sheets, and one or both employees were not listed on run reports. For the 16 shifts where this occurred, we were unable to locate shift schedules for 14 of those shifts. The two shift schedules located did not contain sufficient documentation to verify the employees in question were at work.

The remaining $14,640.26 consists of other hours employees were either documented as being "out" on shift schedules or not documented on shift schedules, and not being

documented on run reports. For the shifts in question, several possibilities exist: employees used undocumented compensatory leave authorized by the director, employees did not make any runs on a shift, shift supervisors made errors on the shift schedules, employees were involved with training or other authorized non-routine work, or employees did not work the hours they were paid.

RECOMMENDATION

WCEMS should pay only for time worked for WCEMS. Time sheets should record actual time worked. Shift schedules should be prepared by a supervisor or assistant supervisor, and at the end of each shift, the preparer should accurately document the employees who actually worked the shift. Shift schedules and time sheets should be stored for a sufficient period of time to support employees' actual hours worked and leave taken. The director should compare shift schedules to time sheets before authorizing the time sheets for payment. Compensatory leave earned, used, and on hand should be documented on time sheets and approved by the WCEMS director. Training and authorized non-routine work should be documented on time sheets since these hours worked are not reflected on the shift schedules.

MANAGEMENT'S RESPONSE—BRIAN JENNINGS, EMS DIRECTOR

As reported on page 2 of this report, there were no time clocks used at WCEMS during the period in question. Since this time, WCEMS has added electronic, biometric time clocks at every station throughout our organization. These clocks will accurately keep track of time in and time out for all hourly employees. The system also allows for electronic calculation of accrued sick and vacation time which will eliminate calculation errors (Addresses the calculation error in Finding 2). Policies are being put into place addressing the compensation of additional training. Documentation of time clock adjustments such as off-site training will be received in a written format and kept as part of payroll records.

MANAGEMENT'S RESPONSE—HERSCHEL WELLS, COUNTY EXECUTIVE, AND FINANCE DEPARTMENT

Prior to these concerns with Warren County EMS payroll issues, Warren County, through the combined efforts of the WCEMS Director and the Warren County Safety Committee, had already begun researching possible options for a time clock system which would prevent falsification of hours worked by employees. The time clock system selected utilizes the employee's thumbprint as the method for clocking in and clocking out and should accurately record actual time worked by employees and accurately document leave earned, used, and on hand. The time clock system has been purchased, installed and is currently being finalized for full implementation. Once fully implemented, the time clock will provide computer generated timesheets based upon thumbprint clock-in and clock-out time, eliminating the need for manually prepared timesheets.

FINDING 2 MULTIPLE DEFICIENCIES EXISTED IN VACATION, SICK, AND COMPENSATORY LEAVE

Multiple deficiencies existed in vacation, sick, and compensatory leave. Personnel policies permit employees to accumulate earned but unused vacation, sick, and compensatory leave. For the period January 1, 2013, through June 30, 2014, we reviewed all WCEMS time sheets and selected payroll records. The deficiencies noted below resulted from a lack of oversight by WCEMS management and the Warren County Finance Department.

A. Our interviews with employees and the director confirmed employees were responsible for documenting the leave they used on their time sheets, and the director was responsible for calculating the employees' accumulated leave balances on their time sheets. The time sheets we examined showed employees properly recorded the leave they used; however, the director did not reduce the leave used from the accumulated balances. Therefore, employees were paid $2,715.84 for 149 sick-leave hours and 76 vacation hours where their balances had not been reduced. In addition, payroll records show the Warren County Finance Department paid the leave hours used as documented on time sheets without noting the errors in the accumulated leave balances.

B. The director did not always adequately document compensatory leave earned, used, and the accumulated balances on employees' time sheets.

C. One employee was paid sick leave prior to earning the sick leave, which resulted in a negative sick-leave balance.

D. Employees used sick leave for purposes not authorized by the county's personnel policies. These policies authorize sick leave be used for absence due to an employee's illness or injury or for appointments with a licensed doctor, dentist, or recognized practitioner. Employees stated sick leave was often used for personal time off, similar to the use of vacation time.

RECOMMENDATION

The director should accurately calculate and document vacation, sick, and compensatory leave on time sheets. Finance Department employees should recalculate leave balances and look for time sheet errors before payment is made. Leave hours should not be used before being earned. Sick leave should only be used for purposes authorized by the county's personnel policies.

MANAGEMENT'S RESPONSE—HERSCHEL WELLS, COUNTY EXECUTIVE, AND FINANCE DEPARTMENT

The Warren County Finance Department receives timesheets from county department heads on Monday and payroll is issued on Friday of the same week. It is necessary for payroll to be completed by Wednesday for the purpose of providing direct payroll information to our distribution bank. This allows for timely deposits by the distribution

bank to various banks for availability of funds to employees by Friday. The Warren County Finance Department does review and recalculate timesheets for accuracy; however we are limited by time constraints. The Warren County Finance Department prepares county payroll for approximately three hundred and twenty-five (325) employees on a bi-weekly basis and school payroll for approximately one thousand one hundred employees on a monthly basis, therefore it is vitally important for department heads to accurately verify hours worked and leave balances for employees working under their authority prior to submitting to the Finance Department for payment. Warren County Finance Department will continue to review and recalculate timesheets and bring any inaccuracies discovered to the attention of the department head for correction before payment is issued.

FINDING 3 **MULTIPLE PAYROLL DEFICIENCIES EXISTED**

We noted multiple deficiencies concerning WCEMS payroll records and the calculation of WCEMS wages. For the period January 1, 2013, through June 30, 2014, we reviewed all WCEMS time sheets and selected payroll records. These payroll deficiencies resulted from a lack of oversight by WCEMS management and the Warren County Finance Department and are described below:

A. We noted eight instances where time sheet hours were not correctly calculated, and WCEMS overpaid employees a total of $825.12.

B. We noted 13 instances where time sheet hours were not correctly calculated, and WCEMS underpaid employees a combined total of $438.62.

C. Three employees were not paid holiday time earned, resulting in the employees being underpaid a total of $321.04.

D. One employee was overpaid $149.04 due to an overtime calculation error.

E. During the period examined, the director did not prepare time sheets and obtain approvals. County personnel policies require both exempt and nonexempt employees to fill out time sheets daily and, at the end of the workweek, sign and forward the time sheets to their supervisor for review and processing.

RECOMMENDATION

The director should accurately calculate time sheet hours worked for WCEMS employees. Finance Department employees should recalculate time sheet hours and review for accuracy prior to payment. The director and the Finance Department should ensure holiday time and overtime earned are properly calculated. The director should fill out his time sheets in accordance with the county's personnel policies.

MANAGEMENT'S RESPONSE—HERSCHEL WELLS, COUNTY EXECUTIVE, AND FINANCE DEPARTMENT

Warren County Finance Department will continue to review and recalculate timesheets to insure the accuracy of hours worked and leave balances prior to payment. Warren County Finance Department will also work to assure that holiday time and overtime earned are properly calculated and recorded as verified by the department head.

If you have any questions concerning the above, please contact this office.

Sincerely,

Justin P. Wilson
Comptroller of the Treasury

JPW/kbh

CC: Members of the Warren County Commission