



# Alabama Department of Examiners of Public Accounts

## *Report on the* **Music Hall of Fame Board State of Alabama Tuscumbia, Alabama**

October 1, 2018 through September 30, 2024

Filed: May 16, 2025

AUDEMUS JURA NOSTRA DEFENDERE  
ALABAMA STATE HOUSE

*Rachel Laurie Riddle, Chief Examiner*





Rachel Laurie Riddle  
*Chief Examiner*

State of Alabama  
Department of  
**Examiners of Public Accounts**

P.O. Box 302251, Montgomery, AL 36130-2251  
401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
Telephone (334) 242-9200  
FAX (334) 242-1775

Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Music Hall of Fame Board, Tuscumbia, Alabama, for the period October 1, 2018 through September 30, 2024. Under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

Tiffany L. Mason  
Examiner of Public Accounts

rb



---

---

## *Table of Contents*

---

---

	<i>Page</i>
<b>Examiner's Summary</b>	A
Contains items pertaining to the purpose, scope and results of the state legal compliance examination.	
<b>Agency Overview</b>	E
Contains information pertaining to the organization and operation of the Music Hall of Fame Board.	
<b>Schedule of State Legal Compliance and Other Findings</b>	F
Contains detailed information about findings pertaining to state legal compliance and other findings.	
<b>Other Information</b>	1
Exhibit #1 <b>Board Members and Officials</b> – a listing of the Board Members and Officials.	2
Exhibit #2 <b>Schedule of Charges</b> – a schedule that provides details on amounts that an official of the Music Hall of Fame Board has been asked to repay.	3
<b>Order of the Chief Examiner</b>	4

---





## Department of **Examiners of Public Accounts**

### **EXAMINER'S SUMMARY**

**Music Hall of Fame Board  
October 1, 2018 through September 30, 2024**

#### **PURPOSE AND SCOPE OF EXAMINATION**

This report presents the results of an examination of the Music Hall of Fame Board (the "Board") and a review of the Board's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed to determine whether the public officers, agents, and employees of the Board properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Board.

This examination included procedures to determine whether the Board complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Board's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Board accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Board is described in the accompanying Agency Overview.

#### **RESULTS OF THE EXAMINATION**

##### **Findings**

The following instances of noncompliance with State laws and regulations and other matters were found during the examination, as shown on the Schedule of State Legal Compliance and Other Findings and they are summarized below.

- ◆ 2024-001: The Entity failed to design and implement controls requiring a sufficient review of bank account and credit card transactions, as a result expenditures were made that were either unallowable or not documented in a manner that allowability could be determined.

- ◆ 2024-002: The Entity failed to ensure longevity payments were made in accordance with the *Code of Alabama 1975*, Section 36-6-11, resulting in improper payments.
- ◆ 2024-003: The Board failed to meet quarterly as required, and two members of the Board do not meet the requirements of their appointed seats in accordance with the *Code of Alabama 1975*, Section 41-9-680.
- ◆ 2024-004: The Entity failed to implement policies and procedures that require segregation of duties regarding reviews and approvals of activities pertaining to cash receipts and disbursements of the Board.
- ◆ 2024-005: The Entity failed to implement policies and procedures that require transactions to be recorded into an accounting system, which caused the Board to be unable to provide a general ledger.
- ◆ 2024-006: The Entity failed to implement policies and procedures that require the bank account to be properly reconciled.
- ◆ 2024-007: The Entity failed to maintain a listing of artifacts and memorabilia in its possession and failed to ensure the items were protected by insurance coverage.
- ◆ 2024-008: The Entity failed to submit Records Disposition Authority Reports in accordance with requirements and destroyed records that were not obsolete and did not qualify to be destroyed according to the Records Disposition Authority.
- ◆ 2024-009: The Entity failed to implement policies and procedures requiring proper documentation of donation and rental revenues.
- ◆ 2024-010: The Entity failed to implement policies and procedures requiring ticket sales to be properly reconciled and failed to have a policy in place for complimentary tickets issued.
- ◆ 2024-011: The Entity failed to ensure cash collections were deposited timely and failed to maintain receipt documentation.
- ◆ 2024-012: The Entity failed to collect and remit sales tax from gift shop sales in accordance with the *Code of Alabama 1975*, Section 40-23-2(1).
- ◆ 2024-013: The Entity failed to report all disbursements to the Comptroller for inclusion in the state expenditures database in accordance with the *Code of Alabama 1975*, Section 41-4-65.
- ◆ 2024-014: The Entity failed go through the Chief Procurement Officer for purchases or request delegation of authority as required by the *Code of Alabama 1975*, Section 41-4-110 et seq.



- ◆ 2024-015: Donations and/or sponsorships to local schools, youth sports leagues or other local entities were made without obtaining Board approval.
- ◆ 2024-016: Meals were provided to employees without properly documenting whether the meals were directly related to the business of the Entity or whether the meals were incidental to a meeting.
- ◆ 2024-017: The Entity failed to ensure the employees of the Music Hall of Fame adhered to the in-state travel requirements described in the *Code of Alabama 1975*, Sections 36-7-20 through 36-7-25.
- ◆ 2024-018: The employees of the Entity failed to obtain written authorization for out-of-state travel in accordance with the *Code of Alabama 1975*, Section 36-7-21.
- ◆ 2024-019: The Entity failed to require written, approved contracts. As a result, verbal agreements with a local business providing an activity for students on field trips and with musicians performing at various events were entered into without Board approval.
- ◆ 2024-020: The Entity failed to issue Form 1099 to individuals paid for entertainment and labor as required by Internal Revenue Service.
- ◆ 2024-021: The Entity failed to implement internal controls to ensure items purchased for resale are protected against theft, damage and spoilage.
- ◆ 2024-022: The Entity paid sales tax to multiple vendors although exempt from taxation in accordance with the *Code of Alabama 1975*, Section 41-9-683.
- ◆ 2024-023: The Entity did not maintain time records for compensatory and holiday time provided to employees and failed to ensure this type of leave was used in accordance with policy.
- ◆ 2024-024: The Entity failed to ensure employees adhered to approved holidays and their timesheets reflected actual days worked.
- ◆ 2024-025: The Entity failed to adequately safeguard property and sensitive items by not updating property records in Asset Works, the State Auditor's Property Inventory Control Automated System, as required.
- ◆ 2024-026: The Board failed to notify the Secretary of State of upcoming Board meetings, held virtual meetings without the necessary requirements, and failed to ensure minutes were signed as required by the *Code of Alabama 1975*, Section 36-25A. These issues were reported in the prior examination as Findings 2013-001 and 2013-002, which indicate that the findings initially occurred in fiscal year 2013.

- ◆ 2024-027: The Board failed to update information about the Board on the Secretary of State's website and failed to notify the Secretary of State of Board vacancies, in accordance with the *Code of Alabama 1975*, Sections 36-14-17(b) and 36-14-17(c).
- ◆ 2024-028: The Entity did not comply with the *Code of Alabama 1975*, Title 39, by awarding a public works project without obtaining sealed bids and adhering to other Title 39 requirements pertaining to advertising and bonding.
- ◆ 2024-029: The Entity failed to require and obtain vendor disclosure statements from vendors in accordance with the *Code of Alabama 1975*, Sections 41-16-82 and 41-16-85.

### **CHARGES AGAINST EMPLOYEE**

As reflected on Exhibit 2, the charges against an employee resulted from the failure to maintain sufficient documentation to support expenditures were allowable and/or properly approved. Additionally, the employee received longevity payments when the employee did not meet the years of service requirement. Official demand was made to the employee requesting repayment totaling \$114,637.38. The Executive Director, Sandra Burroughs, appeared at a meeting before the Chief Examiner and submitted further evidence related to the charges. As a result, relief in the amount of \$49,917.40 was granted as evidenced by the Order of the Chief Examiner contained in this report. The amount of unrelieved charges totaling \$64,719.98 remain due and unpaid and, as a result, the report will be certified to the Office of Attorney General for collection.

### **EXIT CONFERENCE**

An exit conference was held virtually on April 15, 2025. Individuals in attendance were Board Members Judy Hood, Judy Ryals and Bill Poole. Representing the Examiners of Public Accounts were Melissa Knepper, Director of Higher Education Audits; Jason Paulk, Chief Legal Counsel; Mistie Beam, Audit Manager and Tiffany Mason, Examiner. The results of the examination were also discussed by telephone with Sandra Burroughs, Executive Director, on April 25, 2025.



Department of  
**Examiners of Public Accounts**

**AGENCY OVERVIEW**

**Music Hall of Fame Board  
October 1, 2018 through September 30, 2024**

The Music Hall of Fame Board (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 41-9-680 through 41-9-684.

The Board was established to develop a program to honor those persons who have made outstanding and lasting contributions to music. In carrying out its purpose, the Board is to acquire suitable quarters to be used for the display of busts, statues, plaques, books, papers, pictures, and other exhibits relating to music or musicians. The Music Hall of Fame is located in Tuscumbia, Alabama.

The Board consists of seven members appointed by the Governor to six-year terms. Four members are appointed from the Muscle Shoals Music Association and three members are chosen from the state at large. The members chosen from the state at large are not to be employed in the music business. The Board appoints an Executive Director who serves as the administrative head of the agency.

Board Members and the Executive Director are shown on Exhibit 1. Additional information on the Board can be found on their website at [www.alamhof.org](http://www.alamhof.org).

---

*This Page Intentionally Blank*

---

---

*Schedule of State Legal  
Compliance and Other Findings*

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-001	<p><b><u>Finding:</u></b></p> <p>The Executive Director of the Alabama Music Hall of Fame Board (the “Board”) was solely responsible for all checking account and credit card transactions without sufficient review by the Board. A review of transactions is necessary to ensure that all Board expenditures are made for allowable purposes and are sufficiently documented. Failure to perform a sufficient review allowed for unallowable and undocumented expenditures to be made during the examination period. Those responsible for management and governance of the Board are responsible for establishing internal controls that ensure the Board operates effectively, efficiently, and in compliance with applicable laws and regulations.</p> <p>A review of the Board’s expenditures for fiscal years 2023 and 2024 revealed 334 bank transactions totaling \$76,731.19 and 242 credit card transactions totaling \$36,706.19 for which there was no documentation provided, the transaction appeared to be unallowable, or the documentation provided was not sufficient to determine whether the Board had expended funds for an allowable purpose.</p> <p>Examination procedures revealed the following:</p> <ul style="list-style-type: none"><li>◆ Expenditures totaling \$14,709.10 were made to restaurants and eateries for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures.</li><li>◆ Expenditures totaling \$38,766.16 were made to individuals, described as musicians or laborers by the Executive Director of the Alabama Music Hall of Fame Board, for which adequate documentation was unable to be provided to support the expenditures. The only documentation provided was copies of the checks.</li><li>◆ Expenditures totaling \$742.50 were made payable to two individuals instead of the business indicated on the invoice provided.</li><li>◆ Expenditures totaling \$2,145.80 were made to retail stores for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures. Some of these purchases included seasonal decorations, candy, a Yeti cooler and a Yeti tumbler.</li><li>◆ Expenditures totaling \$804.95 were made for the purchase of gift cards.</li><li>◆ Expenditures totaling \$12,286.06 were made to in-state hotels without documentation being provided to determine whether the amount was allowable under State travel laws or without invoices being provided to support the payment.</li></ul>

---

## *Schedule of State Legal Compliance and Other Findings*

### *October 1, 2018 through September 30, 2024*

---

Ref. No.	Finding/Noncompliance
	<p><b><u>Finding Continued:</u></b></p> <p>◆ Expenditures totaling \$43,982.81 were made to other vendors for which inadequate or no supporting documentation was provided to support either the eligibility or public purpose of the expenditures. Some of these purchases included flower delivery, clothes, concert and theater tickets, gifts for employees of the Alabama Music Hall of Fame Board, donations to local entities, and a massage.</p> <p>Failure to design and implement proper controls over expenditures can lead to mismanagement and the misappropriation of funds. As a result, \$113,437.38 is reflected as amounts due from the Executive Director on Exhibit 2.</p> <p><b><u>Recommendation:</u></b></p> <p>Internal controls should be designed and established that require a sufficient review of bank accounts and credit card transactions be performed to ensure that all expenditures are made for allowable purposes and sufficiently documented.</p>
2024-002	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 36-6-11, provides that each person employed by the State of Alabama after 5 years of active service shall receive \$600 in the form of a longevity payment. The longevity payment is increased for each additional 5 years of service up to twenty-five years.</p> <p>Longevity pay is a manual process and requires review by Board personnel to ensure the amounts paid are accurate. During the review of employee longevity payments, it was determined that two employees were not paid the correct longevity pay. One instance was noted in which an employee was not paid a \$600 longevity payment after five years of active service, resulting in a \$600 underpayment. Another employee was paid \$600 for longevity for two years without accumulating five years active state service, resulting in a \$1,200 overpayment. As a result, \$1,200 is reflected as amounts due from the Executive Director on Exhibit 2.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should ensure longevity payments are made in accordance with the <i>Code of Alabama 1975</i>, Section 36-6-11.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-003	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 41-9-680 states, “There shall be created and established as herein provided a board to be designated and known as the Alabama Music Hall of Fame Board. The board shall be composed of seven members, who shall be appointed by the Governor of Alabama for terms of six years each; provided, that of the first members appointed under any restructured board, two shall serve for two years and two shall serve for four years, as the Governor may direct. Four board members shall be appointed from the membership of the Muscle Shoals Music Association and three board members shall be appointed from the state at large and shall not be employed in the music business...”</p> <p>In addition, Section 41-9-680 requires the Board to meet quarterly and at such other times as its rules and bylaws may prescribe.</p> <p>Two of the seven current board members do not meet the statutory requirements of their appointed seat. One board member appointed from the Muscle Shoals Music Association (MSMA) is not a member of the MSMA and one state at large board member is a professional musician. As a result, individuals meeting the requirements for board membership were excluded from potential consideration.</p> <p>The Board was statutorily required to meet 4 times each year during the examination period for a total of 24 meetings; however, they only met seven times. Failure to meet as required can increase the risk of the Board being unaware of activities affecting the Music Hall of Fame and prevents the Board from making business decisions in a timely manner.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should comply with the <i>Code of Alabama 1975</i>, Section 41-9-680, by ensuring individuals meet the established requirements for Board members prior to appointment. Additionally, the Board should ensure meetings occur at least quarterly.</p>



---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

<b>Ref. No.</b>	<b>Finding/Noncompliance</b>
2024-004	<p><b><u>Finding:</u></b></p> <p>An adequate system of internal controls should ensure that accountability is established and maintained for all funds. One of the basic elements of internal control involves segregation of duties in such a manner in which one employee does not have complete control over all stages of a process without review or approval. To minimize the risk of cash not being deposited or unallowable disbursements made, all deposits and disbursements are to be reviewed by a person independent of the activity.</p> <p>The Board does not have policies and procedures in place that require segregation of duties, including review and approval, of cash receipt and disbursement activities. The Executive Director had access to the Board's bank account and was responsible for all deposits and disbursements. There was no review or approval of the transactions made by the Executive Director by an independent person. Furthermore, examination procedures revealed that the address on the Board's credit card statement was the home address of the Executive Director. As a result, deposits and disbursements were exposed to a greater possibility that errors or irregularities, including misappropriations and fraud, could occur and not be detected.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should establish and implement policies and procedures to ensure duties relating to cash receipting and disbursement are properly segregated and include an independent review and approval of transactions.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-005	<p><b><u>Finding:</u></b></p> <p>An adequate system of internal controls includes establishing policies and procedures for recording transactions involving cash, such as the receipting and disbursing of money, along with double entry of the related revenues and expenditures, into an accounting system. Recording these transactions into an accounting system helps an entity maintain accountability for cash and it minimizes the possibility that errors or irregularities, including misappropriations and fraud, could occur without being detected.</p> <p>A general ledger detailing all transactions for the bank account was requested. A general ledger could not be provided because transactions were not being recorded. The Board does not have policies requiring cash receipts or disbursements to be entered into an accounting system, nor do they have procedures on how these transactions should be handled. As a result, cash receipts and disbursements, along with related revenues and expenditures, were not accounted for in an accounting system and a complete record of all receipts and expenditures could not be provided.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should develop and implement policies and procedures to ensure all cash transactions are entered into the accounting system to help account for all cash received and disbursed.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-006	<p><b><u>Finding:</u></b></p> <p>An adequate system of internal controls includes establishing policies and procedures for performing bank reconciliations. The performance of timely reconciliations, which are reviewed and approved by an individual other than the preparer, helps an entity to maintain accountability for cash and it minimizes the possibility that errors or irregularities, including misappropriations and fraud, could occur without being detected.</p> <p>Bank reconciliations for selected months during the examination period were requested for review. Only one reconciliation was provided. Testing revealed that the individual who performed bank reconciliations separated employment in May 2022. Bank reconciliations for periods prior to the employee's separation do not appear to have been retained and bank reconciliations for periods after the employee's separation were not performed. As a result, the bank account was exposed to a greater risk of the possibility of errors or irregularities, including misappropriation and fraud.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should develop and implement policies and procedures to reconcile all bank accounts in a timely manner. Additionally, the Board should ensure all bank reconciliations are reviewed and approved by a separate, knowledgeable individual for proper segregation of duties.</p>
2024-007	<p><b><u>Finding:</u></b></p> <p>The Board operates an exhibit hall where they display exhibits that illustrate the accomplishments of those who have made outstanding and lasting contributions to music in Alabama or elsewhere. The exhibit hall contains artifacts and memorabilia that have either been donated or loaned. An adequate system of internal controls includes maintaining a listing of and appropriate insurance coverage on all artifacts and memorabilia in possession of the Board. These controls help to ensure accountability and protection of the items from loss or misappropriation.</p> <p>The Board could not provide a listing of the artifacts and memorabilia in their possession. Further, the insurance coverage for the artifacts and memorabilia was canceled in May of 2024. As a result, artifacts and memorabilia in the Board's possession are not protected from loss or misappropriation.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should design and implement controls to ensure accountability is established and maintained for artifacts and memorabilia in its possession. In addition, the Board should maintain insurance coverage on all artifacts and memorabilia in its possession.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-008	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 41-13-21 states, “No state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission...” This approval takes the form of a Records Disposition Authority (RDA), which is a formal document that specifies the retention period for each type of record produced by a state agency. A condition of this authorization is for the Board to submit an annual RDA Implementation Report to the State Records Commission regarding its records management activities, including documentation of destruction of records, by January 15 for the previous fiscal year.</p> <p>The Board did not submit an RDA Implementation Report for fiscal years 2019 through 2022. An RDA Implementation Report for fiscal year 2023 was submitted February 9, 2024, after the January 15<sup>th</sup> deadline.</p> <p>According to the RDA Implementation Report submitted for fiscal year 2023, the Board did not destroy obsolete temporary records during the past fiscal year. However, examination results revealed records that were not obsolete and did not qualify to be destroyed were actually destroyed. The records destroyed are as follows:</p> <ul style="list-style-type: none"><li>✓ Agreements or contracts were disposed of after the service was fulfilled.</li><li>✓ Records documenting hours worked and leave requests from employees were not preserved.</li></ul> <p>As a result, the Board is not in compliance with the <i>Code of Alabama 1975</i>, Section 41-13-21, and documentation could not be provided to determine whether all money due to the Board was collected and deposited or whether the hours worked or leave taken by employees were accurate.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should comply with the <i>Code of Alabama 1975</i>, Section 41-13-21, by submitting RDA Implementation Reports as required. In addition, the Board should ensure temporary records are retained and maintained in accordance with their RDA.</p>

---

## *Schedule of State Legal Compliance and Other Findings*

### *October 1, 2018 through September 30, 2024*

---

Ref. No.	Finding/Noncompliance
2024-009	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 41-9-683, allows the Board to solicit and accept donations, contributions and gifts of money and property. In addition, Section 41-9-682(c)(3), allows the Board “to lease to others any or all of its projects and properties and to charge and collect rent therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof.”</p> <p>The Board does not have policies and procedures requiring the issuance of receipts or other documentation for donations given to the Board or to ensure all money collected was deposited into the Board’s bank accounts. Additionally, records which detailed certain aspects of the rental of the facilities, such as the amount charged, were unable to be provided.</p> <p>As a result, we could not determine the amount of donations or rental revenue received by the Board, nor that all monies received were deposited into the Board’s bank accounts.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should design and implement controls to ensure that all money received for donations and rental revenue is documented and deposited into the Board’s bank accounts.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-010	<p><b><u>Finding:</u></b></p> <p>An adequate system of internal controls includes establishing policies and procedures to ensure accountability for museum tickets sold, discounts provided, or complimentary tickets issued to individuals. The performance of reconciliations helps an entity to maintain accountability for cash and to minimize the possibility that errors or irregularities, including misappropriations and fraud, could occur without being detected.</p> <p>The Board sells tickets to patrons for entrance to the museum. In addition, tickets were sold using a 3<sup>rd</sup> party on-line service and the Alabama Department of Tourism's all-in-one application. Money received from ticket sales was not reconciled to amounts deposited. In addition, there was an inconsistency with the accounting for field trips and group admissions. Instances were noted where these types of attendees were entered individually in the ticket sales software and other times where the groups were entered as a single line-item payment. Due to these inconsistencies, the number of admission tickets sold could not be determined. Also, complimentary tickets were issued without an approved complimentary ticket policy. Lastly, the Board did not perform reconciliations or obtain documentation from the vendors to show the number of admission tickets sold to ensure all the money collected and due to the Board were deposited into the Board's bank accounts.</p> <p>As a result, we were unable to verify accountability was maintained for ticket sales and that all money from ticket sales was properly deposited. In addition, we were unable to verify the number of complimentary tickets issued and used for entrance.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should develop and implement policies and procedures that establish controls to ensure accountability is maintained and documentation is retained for all tickets sold. Additionally, the Board should develop and implement policies and procedures for the issuance of complimentary tickets.</p>

---

## *Schedule of State Legal Compliance and Other Findings*

### *October 1, 2018 through September 30, 2024*

---

Ref. No.	Finding/Noncompliance
2024-011	<p><b><u>Finding:</u></b></p> <p>An adequate system of internal controls includes establishing policies and procedures for cash receipts to be deposited in a timely manner. Depositing cash timely helps the Board maintain accountability for cash and to minimize the possibility that errors or irregularities, including misappropriations and fraud, could occur without being detected.</p> <p>Based on discussions with the Alabama Music Hall of Fame staff, cash collections from admissions and gift shop sales were deposited weekly. However, testing revealed that certain deposits occurred as many as 8-15 days after collection. In addition, the timeliness of some deposits could not be determined due to documentation such as daily register reports not being maintained.</p> <p>Additionally, deposits for items other than for admissions and gift shop sales were noted during the review of bank information. A selection of these deposits were reviewed and testing revealed that a majority of these deposits could not be confirmed as having been deposited timely or intact due to a lack of supporting documentation containing the purpose, date, and the amount of money collected.</p> <p>Failing to maintain deposit documentation and not depositing money timely can lead to an increased risk of errors or irregularities, including fraud and misappropriation.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should develop and implement policies and procedures requiring all cash to be deposited in a timely manner and receipt documentation to be maintained.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-012	<p><b><u>Finding:</u></b> The <i>Code of Alabama 1975</i>, Section 40-23-2(1), levies sales tax and requires collection by every person, firm, or corporation, including the State of Alabama or its agencies, “that is engaged or continuing within this State in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character.”</p> <p>The Board operates a gift shop on site and on the internet through its website. The Board failed to collect and remit sales tax from gift shop sales to the Alabama Department of Revenue. As a result, money due to the State of Alabama and its various instrumentalities for sales tax was not collected and remitted.</p> <p><b><u>Recommendation:</u></b> The Board should collect and remit sales tax from gift shop sales in accordance with the <i>Code of Alabama 1975</i>, Section 40-23-2(1).</p>
2024-013	<p><b><u>Finding:</u></b> The <i>Code of Alabama 1975</i>, Section 41-4-65, requires the Comptroller to establish and post on the Internet a database of state expenditures that are electronically searchable. This section also requires that state entities that collect or maintain any information required to be in the database provide that information to the Comptroller for inclusion in the database.</p> <p>The Board maintained a bank account and paid operating expenses from the account without reporting the information to the Comptroller for inclusion in the database. Failing to report information as required limits the public transparency of the Board’s expenditures.</p> <p><b><u>Recommendation:</u></b> The Board should report all information that is required by the <i>Code of Alabama 1975</i>, Section 41-4-65, to the Comptroller.</p>



---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-014	<p><b><u>Finding:</u></b></p> <p>Beginning October 1, 2022, the <i>Code of Alabama 1975</i>, Section 41-4-122, established the Chief Procurement Officer as the central procurement officer of the state. This law transferred all rights, powers, duties, and authority relating to the procurement of supplies and services to the Chief Procurement Officer. The <i>Code of Alabama 1975</i>, Section 41-4-122(c) states in part, “Except as otherwise specifically provide in this article, the Chief Procurement Officer, in accordance with rules adopted under this article shall... (1) Except for alcoholic beverages, which shall be purchased by the Alcoholic Beverage Control Board, procure, or supervise the procurement of all supplies and services needed by the state.”</p> <p>The <i>Code of Alabama 1975</i>, Section 41-4-123 states, “Subject to rules adopted under this article, the Chief Procurement Officer may delegate his or her authority to designees or to any department, agency, or official.”</p> <p>None of the purchases made subsequent to the law becoming effective on October 1, 2022, were completed through the Chief Procurement Officer, nor was a delegation of authority requested or obtained. As a result, the Board is not in compliance with the <i>Code of Alabama 1975</i>, Section 41-4-110, et seq.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should ensure the procurement of supplies and services is conducted in accordance with the <i>Code of Alabama 1975</i>, Section 41-4-110, et seq., including the requisite permission of the Chief Procurement Officer’s office or in accordance with any delegation received from the Chief Procurement Officer’s office stating otherwise.</p>

---

## *Schedule of State Legal Compliance and Other Findings*

### *October 1, 2018 through September 30, 2024*

---

Ref. No.	Finding/Noncompliance
2024-015	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 41-9-682(a) states: “it shall be the function and main purpose of the [Alabama Music Hall of Fame] Board to honor those, living or dead, who, by achievement or service, have made outstanding and lasting contributions to music in Alabama or elsewhere.” Section 41-9-682(c)(11) allows the Board to sell, exchange, donate and convey any or all of its projects, properties and assets whenever its members find any such action to be in furtherance of the purposes of which the authority was created.</p> <p>The Board does not have policies and procedures relating to donations of its assets. During our review of expenditures, it was noted that donations or sponsorships were made to various local schools, youth sports leagues, and other local entities. For fiscal year 2023 and 2024, these donations and sponsorships totaled approximately \$9,700.00. The Board did not approve these donations or sponsorships. As a result, it could not be determined if these expenditures were in furtherance of the purposes of which the authority was created.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should ensure all expenditures are allowable and in furtherance of the purposes of which the authority was created.</p>
2024-016	<p><b><u>Finding:</u></b></p> <p>Numerous Attorney General Opinions have opined that public funds may be used to pay for meals and/or refreshments served at business meetings when the meals are directly related to the business of the entity, and the meals and refreshments are incidental to the meeting. In order for meals to be an incidental part of the meeting, the primary purpose of the gathering must be to have an official meeting at which business is conducted, not a social gathering at which food is provided.</p> <p>Meals were purchased for employees on numerous occasions. No documentation detailing these meals were directly related to the business of the Board or that the meals were incidental to a meeting was provided. As a result, the Board paid for unallowable meals for employees.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should not provide meals or refreshments when they are provided as part of a social gathering.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-017	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-22 states, “Persons traveling on official business for the state or any of its Legislative, Executive, and Judicial Branches, departments, institutions, boards, bureaus, commissions, councils, committees, or other like agencies in privately owned vehicles shall receive an amount equal to the mileage rate allowed by the Internal Revenue Code for income tax deductions per mile in lieu of actual expenses for transportation. Reimbursement shall be made no later than 30 calendar days from the date the request for reimbursement is initially received by the appropriate authority. For purposes of this section, travel, excluding members of the Legislature, means a departure from the permanent place of employment”.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-20, allows the Governor to fix the amount allowed for travel expenses other than transportation at not less than \$75 per day. This section also requires that no travel allowance shall be paid for a trip of less than six hours duration, a rate of 15 percent of the regular per diem rate for a trip of six to 12 hours duration, and one meal allowance and one-fourth of the per diem allowance for a trip in excess of 12 hours. The current amount fixed by the Governor for travel expenses other than transportation is \$85 per day for one overnight stay and \$100 per day for travel requiring two or more nights.</p> <p>Employees of the Board were reimbursed for mileage for using their personal vehicles without the completion of travel forms. Due to the lack of documentation, we were unable to determine whether the employees were paid the appropriate amount of mileage, whether they were due per diem, or whether they were even traveling in the service of the State.</p> <p>In addition, the Executive Director traveled within the state on multiple occasions and paid for the actual cost of her meals by using the Board’s debit and/or credit card. Due to a lack of documentation, we were unable to determine whether the Executive Director was due reimbursement for meals through the payment of per diem. The lack of documentation also prevented the determination of whether the travel was for legitimate business purposes of the Board.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should sufficiently document employee travel and ensure payments are made in accordance with the <i>Code of Alabama 1975</i>, Sections 36-7-20 through 36-7-25.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-018	<p><b><u>Finding:</u></b></p> <p>The <b><i>Code of Alabama 1975</i></b>, Section 36-7-21, allows payment of actual and necessary travel expenses provided that the travel is authorized in writing by the head of the traveler's agency prior to the traveler's departure. The written authorization is required to include the agency head's certification that the traveler's estimated reimbursable travel expenses have been reviewed and approved by the agency head as being necessary. Section 36-7-21 also requires that travel by an agency head for which the agency head intends to seek reimbursement shall be fully authorized in writing by the Governor prior to the agency head's departure.</p> <p>Employees of the Board traveled out of state for various business reasons. The actual travel expenses were paid by using the Board's debit and/or credit card. The written authorization, including certification, was unable to be provided for any of the travel conducted during the examination period. As a result, the Board is not in compliance with the <b><i>Code of Alabama 1975</i></b>, Section 36-7-21, and made payments for travel that was not appropriately authorized.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should comply with the <b><i>Code of Alabama 1975</i></b>, Section 36-7-21, by requiring written authorization prior to trips in which actual and necessary expenses are to be incurred and paid.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-019	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 41-9-682(c)(12), grants the Board the power to enter into, and execute such contracts, agreements, leases and other instruments and to take other actions as may be necessary or convenient to accomplish any purpose for which the Authority was created.</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-9(a) states, “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or any state-funded entity to a business entity or employer that employs one or more employees, the business entity or employer shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.” Section 31-13-9(b) requires the business entity or employer to participate in the E-Verify program and verify every employee is verified according to federal rules and regulations. Further, Section 31-13-9(k) states, “All contracts or agreements to which the state, a political subdivision, or state-funded entity are a party shall include the following clause: ‘By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom’”.</p> <p>Written agreements or contracts create clear, binding terms which help to minimize conflict and ensure that expectations are clearly documented. Written contracts also provide supporting documentation for payments made for personal and professional services.</p> <p>Verbal agreements were entered into with a local business to provide services to students who participated in field trips at the Alabama Music Hall of Fame and with musicians to provide performances at various events. Board approval was not provided for any of these verbal agreements. Due to the lack of Board approved written contracts, payment amounts and the terms of the agreements could not be verified.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should enter into approved written contracts for all personal and professional services to ensure that the terms are clearly documented, binding, and include all clauses that are required by the <i>Code of Alabama 1975</i>.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-020	<p><b><u>Finding:</u></b> The Internal Revenue Service requires that tax forms (calendar years 2019 and prior Form 1099-MISC and subsequent years Form 1099-NEC) are filed to report payments made to an individual who is not considered an employee of the agency in the amount of \$600 or more in a taxable year.</p> <p>The Board paid multiple individuals in excess of \$600 for entertainment and labor without issuing a Form 1099. As a result, taxable payments were not properly reported to the Internal Revenue Service.</p> <p><b><u>Recommendation:</u></b> The Board should comply with Internal Revenue Service regulations and report taxable income in accordance with the instructions provided for Form 1099.</p>
2024-021	<p><b><u>Finding:</u></b> Strong internal controls over inventories must be established to ensure an accurate count of goods available for sale, to protect against theft, and to protect against damage and spoilage.</p> <p>The Board purchased items for resale, including beer and wine from local retail stores to resale to patrons attending events or renting the banquet hall. The Board also purchased various items to stock the Board's gift shop. The Board does not have any controls over inventories, which would include reconciling the items purchased to revenue collected and the inventory remaining on hand. Due to the lack of internal controls, the Board was exposed to a greater risk of inventory being misappropriated or becoming spoiled and wasted.</p> <p><b><u>Recommendation:</u></b> The Board should develop and implement internal controls to ensure items purchased for resale are protected against theft, damage, and spoilage.</p>
2024-022	<p><b><u>Finding:</u></b> The <i>Code of Alabama 1975</i>, Section 41-9-683, states that all property, money, income, resources, and activities of the board are exempt from taxation.</p> <p>Sales tax was paid to vendors from Board funds on multiple occasions. Since the Board is exempt from taxes, the amounts paid for sales tax could have otherwise been used to support the operations and purpose of the Board.</p> <p><b><u>Recommendation:</u></b> The Board should ensure sales taxes are not paid on purchases in accordance with the <i>Code of Alabama 1975</i>, Section 41-9-683.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-023	<p><b><u>Finding:</u></b></p> <p>The <i>Fair Labor Standards Act</i> defines compensatory time as paid time off from the job that is earned and accrued by an employee in lieu of cash payment for work performed in excess of their regular weekly schedule. Compensatory time is earned for each hour worked over 40 hours in one work week.</p> <p>The Board's Policy and Procedure Manual states, "Salaried employees will be allowed overtime pay in the form of compensatory time, when pre-authorized and at the request of and for the benefit of the Hall of Fame, at the rate of one-hour compensatory time for every hour worked in excess of the regularly scheduled 40 hours per week. (work related travel time, to and from any destination, does not qualify for compensatory time). Compensatory time needs to be used within 30 days of earning but cannot be taken when an employee is needed for the operation of the Hall of Fame. Compensatory time taken must be approved by the Executive Director in writing."</p> <p>The Policy and Procedure Manual also states, "The Alabama Music Hall of Fame full-time permanent employees will earn an annual leave day for each of the holidays. If the museum is open on any holiday, any and all employees will be required to work as assigned by the Executive Director in the job of staffing. The Executive Director will schedule a day off within two weeks for any employee who works any holiday."</p> <p>During the review of compensatory leave, supporting time records could not be provided for one employee that earned and used 24 hours of compensatory time. Upon reviewing holiday time, supporting time records could not be located for one employee who earned and received compensation for 24 hours of holiday time upon resignation, resulting in a potential overpayment of \$420.20. Two additional employees accrued holiday time in error, but the hours had not been used.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should ensure the proper documentation for compensatory and holiday time is retained. In addition, the Board should ensure this type of leave is used in accordance with policy.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-024	<p><b><u>Finding:</u></b></p> <p>The Board’s Policy Manual, dated January 2004, states that the Alabama Music Hall of Fame full-time permanent employees will earn an annual leave day for each of the following holidays: New Years Day (Museum Closed); July 4<sup>th</sup> (Museum Open); Labor Day (Museum Open); Thanksgiving Day and Friday (Museum Closed); Christmas Eve and Christmas Day (Museum Closed); and Memorial Day (Museum Open). The policy also states that if the museum is open on any holiday, any and all employees will be required to work as assigned by the Executive Director and the Executive Director will schedule an off day within two weeks for any employee who works any holiday.</p> <p>Discussions with the Executive Director revealed that the Alabama Music Hall of Fame does not follow the Board approved Policy Manual regarding holidays. Instead, the Alabama Music Hall of Fame follows the <b><i>Code of Alabama 1975</i></b>, Section 1-3-8(a), which details the holidays that state employees are entitled to.</p> <p>A review of the Alabama Music Hall of Fame’s social media account revealed that the Alabama Music Hall of Fame was closed on numerous days that do not correspond to either the Board’s approved Policy Manual or the <b><i>Code of Alabama 1975</i></b>, Section 1-3-8(a).</p> <p>Additional procedures were performed to determine whether the additional days were given due to the museum’s regular operating schedule. The Music Hall of Fame’s website indicates that the museum is open Tuesday through Saturday and closed Sunday and Monday. Employees’ records documenting time worked show that employees’ time is entered into the State payroll system as though they worked Monday through Friday. However, discussions with employees indicated that some employees worked Monday through Friday and others worked Tuesday through Saturday. Due to inconsistent records documenting time worked and the Music Hall of Fame employees not consistently following approved Board policy or State law related to holidays, it could not be determined whether the Executive Director authorized additional time off for holidays in excess of what was allowed.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should update the Policy Manual to reflect the actual holidays allowed by law and the Executive Director should not grant additional days beyond what is approved. Additionally, timesheets should reflect actual days worked.</p>



---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-025	<p><b><u>Finding:</u></b></p> <p>The <b><i>Code of Alabama 1975</i></b>, Section 36-16-8(1), states: “The head of each department or agency of the state shall designate one of its employees as property manager for the department or agency. Except for books, the property manager shall make a full and complete inventory of all nonconsumable personal property and certain other items of personal property deemed important or sensitive enough by the Property Inventory Control Division to be included in the inventory of state property of the value of five hundred dollars (\$500) or more owned by the state and used or acquired by the department or agency. The inventory shall show the complete description, manufacturer's serial number, cost price, date of purchase, location, and custodial agency, responsible officer, or employee, and the state property control marking.”</p> <p>In addition, Section V. <i>Inventory Control Procedures</i> in the <i>State Auditor’s Office Property Manual</i> requires that within 30 days of receiving an item of furniture, equipment, or vehicle having a value of \$500 or more; all weapons regardless of cost; all computers, laptops, servers, notebooks, net books, iPads, external hard drives regardless of cost be (a) assigned a State asset/property number; (b) be affixed with a property number and a barcode; and (c) be reported to the State Auditor’s Office.</p> <p>Nonconsumable personal property in the custody of the Board was compared with the property records maintained by the Property Inventory Control Division of the State Auditor’s Office as required by the <b><i>Code of Alabama 1975</i></b>, Section 36-16-9. The comparison revealed the property information of the Board had not been updated in Asset Works, the State Auditor’s Property Inventory Control Automated System, to reflect the current location of property. Additionally, the records had not been updated to remove former employees as persons responsible for the property. As a result, 33 of the 38 items on the property listing included custodians that are no longer employed by the Board and three items were listed as being located in the incorrect location. It was also noted that three items did not have a location displayed.</p> <p>A review of purchases made during the examination period further revealed that the Board had purchased multiple items that were not assigned a property number, tagged, or reported to the State Auditor as required by the <i>State Auditor’s Office Property Manual</i>. As a result, these items are subject to a greater risk of loss, neglect, and/or misuse.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should implement internal controls over property to ensure sensitive items and property items with a value of \$500 or more are reported to the State Auditor’s Office within 30 days, information is adequately recorded in Asset Works, and that property is protected from loss or theft.</p>

---

## *Schedule of State Legal Compliance and Other Findings*

### *October 1, 2018 through September 30, 2024*

---

Ref. No.	Finding/Noncompliance
2024-026	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Title 36, Chapter 25A, commonly known as the Alabama Open Meetings Act, guarantees that Alabama’s citizens have open access to agencies, boards, commissions, and other governmental bodies which conduct the people’s business. Additionally, the State Records Commission has provided written procedures, guidance, and guidelines that further describe the requirements of the Alabama Open Meetings Act.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-25A-3(a) requires governmental bodies with statewide jurisdiction to submit notice of meetings to the Secretary of State. The Secretary of State posts the notice on the internet for at least seven days prior to the meeting and also sends electronic mail notifications to anyone who has registered. In addition, the <i>Code of Alabama 1975</i>, Section 36-25A-5.1 describes the requirements that a governmental body must follow when participating in an open meeting by electronic communications. Among other requirements, the governmental body is required to ensure that means of access to the electronic communication is published in the same manner as the notice of the meeting, that a physical location is available and published for everyone wishing to be physically present, and that at least three members or a majority of quorum members, whichever is less, are physical present at the physical meeting location.</p> <p>During the examination period, the Board met five times without notifying the Secretary of State, as required. All of these meetings were held virtually without adhering to the necessary requirements described in Section 36-25A-5.1. Lastly, a review of all seven board meetings revealed that none of the meeting minutes were signed by the chairman and recording secretary. As a result, interested parties are unable to know when Board meetings are to take place. Further, without signatures affirming that the minutes of the Board meetings are true and accurate, the public cannot be assured that the minutes represent the official actions taken by the Board. These issues were reported in the prior examination as Findings 2013-001 and 2013-002 which indicate that the findings initially occurred in fiscal year 2013.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should comply with the Alabama Open Meetings Act by notifying the Secretary of State of all meetings, following the requirements described when conducting meetings virtually, and ensure all meeting minutes are signed by the chairman and recording secretary.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-027	<p><b><u>Finding:</u></b></p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(b), requires the Secretary of State to establish and maintain on the official website containing accurate, detailed, and up-to-date information regarding every board member, including their name, mailing address, telephone number, and email address; the name of each appointee to the board; and the date of appointment, term of appointment, and expiration date of the term of appointment.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(c), states: "The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy as follows: (1) For a vacancy scheduled to occur on the board as a result of the expiration of term, at least 45 days before the vacancy occurs. (2) For a vacancy occurring for any reason other than the expiration of a term, as soon as possible, and in any case within 15 days after the occurrence of the vacancy."</p> <p>The information contained on the Secretary of State's website regarding the board members has not been updated and includes errors such as incorrect appointment dates, expiration dates, and incorrect board members. Additionally, the Board had seven members whose terms expired at various times during the examination period. The Chair failed to notify the Secretary of State within 45 days of the vacancies for the seven members who were expiring. The term expirations included the Chairman whose term expired in July 2024 and has not been reappointed.</p> <p>As a result of these errors, the public was not properly informed of the current board members' information, nor were candidates who were interested in serving on the Board given notice of vacancies on the Board.</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should ensure board member information is up-to-date and correct on the Secretary of State's website. In addition, the Board should notify the Secretary of State within 45 days of vacancies relating to the expiration of a term and within 15 days of vacancies occurring as a result of any other reason.</p>

---

## ***Schedule of State Legal Compliance and Other Findings***

### ***October 1, 2018 through September 30, 2024***

---

Ref. No.	Finding/Noncompliance
2024-028	<p><b><u>Finding:</u></b> The <i>Code of Alabama 1975</i>, Title 39, commonly referred to as the Public Works Law, contains various legal requirements related to public works projects. Public works projects include “the construction, installation, repair, renovation or maintenance of public buildings... as well as any other improvements to be constructed, installed, repaired, renovated, or maintained on public property and to be paid in whole or in part, with public funds.” In addition to requiring public works contracts in excess of \$50,000 to be advertised for sealed competitive bid, there are also certain bond requirements and notices of completion to be published prior to final payment.</p> <p>The Board did not have adequate policies and procedures in place to ensure that public works projects were properly bid in accordance with the <i>Code of Alabama 1975</i>, Title 39. In August 2019, a public works contract was awarded for the purchase and installation of a large entrance sign in the amount of \$51,997.88. The contract was not advertised for a sealed competitive bid in accordance with Title 39, nor were bonds obtained, or notices of completion published prior to final payment.</p> <p><b><u>Recommendation:</u></b> The Board should implement adequate controls to ensure projects are properly bid in compliance with all aspects of the <i>Code of Alabama 1975</i>, Title 39.</p>
2024-029	<p><b><u>Finding:</u></b> The <i>Code of Alabama 1975</i>, Section 41-16-82, requires a disclosure statement to be filed by all persons who, for the purpose of direct financial gain, submit a proposal, bid, contract, or grant proposal to the State of Alabama in excess of \$5,000.00. Section 41-16-85 requires that the statement be filed with the awarding entity.</p> <p>During the examination period, the Alabama Music Hall of Fame Board (the “Board”) did not obtain vendor disclosure statements from any vendor that met the requirements described in the law. As a result, the Board is not in compliance with the <i>Code of Alabama 1975</i>, Section 41-16-82 or Section 41-16-85.</p> <p><b><u>Recommendation:</u></b> The Board should obtain and retain disclosure statements from all persons who, for the purpose of direct financial gain, submit a proposal, bid, contract, or grant proposal in excess of \$5,000.00.</p>

---

## *Other Information*

---

---

***Board Members and Officials***  
***October 1, 2018 through September 30, 2024***

---

---

<b>Board Members</b>		<b>Term Expires</b>
Hon. Judy Hood	Member (1)	2024
Hon. Perry Hooper, Jr.	Member (1)	2022
Hon. Jett Williams	Member (1)	2028
Hon. Bill Poole	Member (2)	2028
Hon. Sara Hamlin	Member (2)	2026
Hon. Judy Ryals	Member (1)	2026
Hon. Lynn Robinson	Member (2)	2019
Hon. Taylor Hicks	Member (2)	2025
Hon. Lee Sentell	Member (1)	2025

**Officials**

Sandra Burroughs                      Executive Director  
617 Highway 72 West  
P. O. Box 740405  
Tuscumbia, AL 35674  
(256) 381-4417  
www.alamhof.org

Dixie Griffin                      Executive Director                      December 31, 2018

- (1) Appointed from the Muscle Shoals Music Association  
(2) State-At-Large Appointment

***Schedule of Charges***  
***October 1, 2018 through September 30, 2024***

Person/Official Charged	Date	Amount Charged	Amount Relieved By Chief Examiner	Amount Paid	Amount Unpaid	Description of Charge
<b><u>Directly Charged to:</u></b>						
Sandra Burroughs, Executive Director	10/01/2022-09/30/2024	\$ 14,709.10	\$ 104.74	\$	\$ 14,604.36	Expenditures made to local restaurants and eateries for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures.
	10/01/2022-09/30/2024	38,766.16	29,361.16		9,405.00	Expenditures made to individuals, described as musicians or laborers, where adequate documentation was unable to be provided to support the expenditures other than copies of the checks.
	10/01/2022-09/30/2024	742.50	442.50		300.00	Checks made payable to individuals instead of the business indicated on the invoice.
	10/01/2022-09/30/2024	2,145.80	825.98		1,319.82	Expenditures made to retail stores for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures.
	10/01/2022-09/30/2024	804.95			804.95	Expenditures made for the purchase of gift cards for which inadequate or no documentation was provided to support the eligibility and purpose of the expenditures.
	10/01/2022-09/30/2024	12,286.06	1,418.72		10,867.34	Expenditures made to in-state hotels where no documentation was provided to determine whether the amount was allowable under State travel laws and/or invoices were not provided to support the payments.
	10/01/2022-09/30/2024	43,982.81	17,764.30		26,218.51	Expenditures made to other vendors for which inadequate or no supporting documentation was provided to support the eligibility and purpose of the expenditures.
	12/1/2022 and 12/1/2023	1,200.00			1,200.00	Expenditures made for longevity pay when the Executive Director did not meet the years of service requirement.
Total Amounts Charged		<u>\$ 114,637.38</u>	<u>\$ 49,917.40</u>	<u>\$</u>	<u>\$ 64,719.98</u>	

---

*This Page Intentionally Blank*

---



---

## *Order of the Chief Examiner*

# ORDER OF THE CHIEF EXAMINER

## RE: MUSIC HALL OF FAME BOARD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2024

This matter of amounts due from the Executive Director, Sandra Burroughs, for the Music Hall of Fame Board was brought before me on the 3rd day of April 2024, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. The Executive Director for the Music Hall of Fame Board appeared before me on that date to show just cause whether relief of \$114,637.38 should be granted, and I am of the opinion that the Executive Director has provided evidence to constitute just cause for partial relief of the charges in the amount of \$49,917.40. Therefore, relief in the amount of \$49,917.40 is granted accordingly. The Executive Director failed to show just cause why the remaining charges in the amount of \$64,719.98 should not be paid. Therefore, relief is denied for \$64,719.98 of the charges.

Entered this the 29<sup>th</sup> day of April, 2025.



**Rachel Laurie Riddle**  
Chief Examiner