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CITIZENS SUMMARY

Findings in the audit of the Hickman Mills C-1 School District

Financial Condition	The district's financial condition has improved but is still below the minimum recommended level. While further reductions in expenditures may be necessary, some reductions can be accomplished through more efficient management practices and more effective controls and procedures.
Superintendent Search Process	The Board did not follow its policies or state law when selecting a new superintendent. The Board did not solicit proposals for a search firm and allowed the search firm to participate in negotiating the new superintendent's contract, even though its fee was contingent on the starting salary. The search process was not well planned and the fee arrangement was significantly higher than it would have been had the Missouri School Board Association been used to conduct the superintendent search.
Superintendent's Leave Usage and Payout	The district did not solicit proposals for auditing and legal services related to former Superintendent Dr. Marjorie Williams' leave balances and did not make the completed audit public or share it with the full Board. District records showed Dr. Williams was owed \$195,000 in leave payout, the formal audit determined she was owed \$150,000, but the Board paid only \$72,000. Subsequently, Dr. Williams sued and the district had to pay an additional \$90,000. The Board did not monitor Dr. Williams' absences or leave, and, according to district records, she used only 3 days of vacation leave during her last 7 years of employment, the accuracy of which some Board members have questioned.
Board Oversight and Contract Payments	Board members have not been providing adequate oversight. The Board made several decisions with less than a majority of members' approval and failed to obtain written contracts with some vendors. In addition, some contracts were not provided to district administrative personnel and the failure to compare supporting documentation to a contract resulted in an overpayment to one vendor.
Sunshine Law	The district did not always comply with the Sunshine Law and held numerous improper closed meetings.
Capital Assets	The district's capital assets records are not complete, accurate and up to date, and the district cannot account for all iPads purchased and assigned to district personnel.
Procurement Cards	The district needs to improve controls over procurement cards. Approval of procurement card statements and supporting documentation is not done in accordance with administrative procedure, numerous purchases were unallowable or appear unreasonable, and the district lacks policies and controls for the use and distribution of student incentives.
Staff and Board Meals	The district does not separately account for meals and food purchases for the Board or employees, and food purchases were often made without documenting the purpose or those in attendance.
Employee Attendance	Board policy prohibits teachers from using more than 10 professional leave days in a year, but 25 teachers used more than 10 days and two teachers used more than 20 days. Board policy also prohibits employees from using more than 20 days of leave in a year, but 23 employees exceeded 20 days.

Questionable Transactions	The district made several disbursements that did not have a clear school district or educational purpose.
Travel	Board members and/or employees traveled to numerous conferences in out-of-state locations. The district spent \$26,000 for all 7 members of the Board, the former Interim Superintendent, and former Board Secretary to attend a 3-day conference in Boston, during which former Board President Anderson attended only one training session, Board member Mims attended only 2 training sessions, and the former Board Secretary attended 5 sessions, none of which covered board secretary duties. Four Board members attended the same 3-day conference in San Diego, CA in 2013, at which former Board President Anderson received only 181 minutes of training. Meal advances were not calculated correctly, and audit staff found a net overpayment of \$515 for the tested transactions. Former Superintendent Dr. Marjorie Williams was on travel 39 days during her last year before retirement, including two out-of-state conferences during her last month of employment with the district. The district has no policy in place for employees traveling by car to the same destination on the same dates.
Purchases and Contracts	District personnel did not always solicit bids or proposals for purchases when required by district policy. The district has used the same provider to serve as financial advisor and bond underwriter for several general obligation bond issues, and sold these using a negotiated sale, which violates district policy. In addition, the district does not adequately monitor employment contracts with several employees retired under the Public School Retirement System.
MAP Testing	The district did not ensure all Missouri Assessment Program testing administrators completed the required training prior to administering tests in April 2012.
Backup Data	Some backup data is not stored at a secure off-site location, which could impair the district's ability to recover in the event of a disaster.
Mileage and Fuel Logs	The district has not established effective monitoring procedures regarding fuel and vehicle use, increasing the risk of loss, theft or misuse.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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