



**John Watson**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Office of Attorney General

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Conflicts of Interest	The Attorney General's office (AGO) lacks adequate policies and procedures to identify and address certain conflicts of interest. The Attorney General recently acknowledged accepting campaign contributions and other gifts from companies, and/or their attorneys and lobbyists, that were under investigation by the AGO. Accepting items from individuals or entities while the AGO has legal actions pending against them, or is investigating them for potential legal action, gives the appearance of a conflict of interest. In November 2014, the Attorney General announced he will no longer take contributions from people or companies under investigation by his office, either currently or in the previous 90 days, or from lobbyists or attorneys representing those individuals or companies; and will not accept gifts from registered lobbyists. As of February 2015, the AGO has yet to adopt this directive in a formal policy.
Personnel Policies and Procedures	In addition to salary increases provided most state employees, the AGO also provided salary increases to over 200 employees during the period January 2012 to August 2014. These increases represented an annual total increase in salaries of \$1.2 million annually and averaged 9 percent per raise. Of 42 raises reviewed, 18 raises (43 percent) totaling \$67,262 do not appear reasonable. The AGO provides 4 hours of personal leave to attorneys who record at least 195 hours on their monthly timesheets; however, this program has not been documented in a formal policy.
Outside Counsel and Experts	As noted in our prior audit, the AGO does not always prepare and retain adequate documentation of the selection process of outside counsel and expert witnesses. The AGO has not analyzed or documented the basis for the hourly rates paid to outside counsel.
Internal Control Procedures	Various divisions of the AGO do not restrictively endorse checks immediately upon receipt. The AGO has not established written receipting procedures regarding monies received in the divisions. As a result, we noted inconsistencies and weaknesses in procedures among the divisions. The AGO does not have adequate procedures to ensure the state General Revenue Fund is reimbursed for legal services provided to professional licensing boards, and amounts due are not recorded in the statewide accounting system.

---

Employee Travel	AGO employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. We noted many instances where lodging costs appeared excessive, and AGO employees did not document why the higher costs were necessary and reasonable.
Computer Password Controls	AGO employees are not required to change network passwords on a periodic basis.

---

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.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**