



CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

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 the procedures performed by the State Auditor's professional audit staff.

Community Development Contract The Office of State Treasurer (STO) issued complete payment to a contractor to serve as the STO's Community Development Grant Administrator before any services had been performed. The STO received a one-year, non-recurring appropriation of \$225,000 for the fiscal year ended June 30, 2014, to fund a project to create sustainable communities and help families achieve economic stability. The STO issued a request for proposal to potential bidders on March 17, 2014, selected a winning bid on May 16, 2014, and signed the resulting contract on June 18, 2014.

Although the STO planned for project activities to begin late in the fiscal year, the STO made no request to re-appropriate funds to later fiscal years. Re-appropriation would have allowed the STO to release funds to the grant administrator as services were provided. Instead, the STO paid the entire \$225,000 to the contractor on June 23, 2014, just before the expiration of the appropriation, and before any agreed-upon services were provided. Although the contract included reporting and monitoring requirements, payment in full before any services had been provided reduces the STO's options to compel satisfactory completion of the contract.

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

*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