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CITIZENS SUMMARY

Findings in the audit of the City of Bunceton

Accounting Controls and Procedures	The Board of Aldermen (Board) has not segregated duties or performed adequate reviews of the City Clerk's work. The City Clerk does not prepare formal bank reconciliations for the city's 10 bank accounts, and as a result, errors were not detected in the city's financial statements. In addition, the large number of bank accounts held by the city results in cumbersome record keeping. Multiple transaction were necessary to move monies from one account to another for cash flow purposes during the year ended June 30, 2014.
Budgets and Financial Statements	The Board does not prepare an adequate budget that includes revenue and disbursement estimates for the current year, the actual beginning and estimated ending cash balances, budgeted amounts for the 2 preceding years, or city indebtedness information. Further, the Board does not have any procedures in place to monitor receipts and disbursements. The city's semiannual financial statements do not contain all the financial information required by law, and combine all 10 of the city's funds into a consolidated statement, which does not allow for a clear and detailed analysis of each fund.
Utility Controls and Procedures	The Board has not segregated duties or performed adequate reviews of the City Collector's work. The City Collector is responsible for all aspects of the utility billing process, but neither the City Clerk nor the Board review the City Collector's work. The City Collector does not record the method of payment for utility monies received and does not maintain a complete list of customer utility deposits on hand. Further, the city has not reconciled the number of trash containers it is billing customers for to the number of containers the vendor bills the city, and under billed customers by approximately \$600 during the year ended June 30, 2014. Finally, annual audits of the water and sewer system are not performed as required by state law.
Conflict of Interest	The city paid a Board member approximately \$15,000 to serve as the city's Water Main Operator from September 2011 to April 2014, creating a conflict of interest.
Sunshine Law	The Board has not adopted a formal policy regarding public access to city records, and the Board does not make public the results of the votes taken and the final disposition of matters discussed in closed meetings when required. During the year ended June 30, 2014, votes taken in 7 of the 13 closed meetings held by the Board should have been disclosed to the public.

In addition, there were multiple occasions where the Board discussed topics in closed meetings other than the specific reasons given for going into the closed meeting.

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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