



**VILLAGE OF CLYDE, MISSOURI
YEAR ENDED DECEMBER 31, 2000**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2001-48
June 27, 2001
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

June 2001

www.auditor.state.mo.us

The following problems were discovered as a result of an audit conducted by our office of the Village of Clyde, Missouri.

The village has not prepared an annual budget. State statute provides that no expenditure of public monies shall be made unless it is authorized in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and revenue expectations for each area of the village operations and provide a means to effectively monitor actual costs and revenues. It will also assist in setting tax levies and informing the public about the village's operations and current finances.

The village's property tax rate exceeds the maximum authorized by state law and public hearings on the proposed property tax rates have not been held for at least the past several years.

Board minutes did not always include sufficient detail of matters discussed and actions taken and were not signed by the clerk. In April 2000, the appointment of Trustee Joe Stoll to fill a vacant position was not documented in the minutes. In addition, board minutes do not always include a record of votes taken.

The village does not have a formal bidding policy. Board minutes do not identify the disbursements approved by the board at its regular meetings and the village did not enter into formal written agreements for engineering or legal services. Adequate documentation was not always maintained to fully support some expenditures and the village did not obtain an appraisal of the land and building it acquired.

The minutes for the May 1999 Board of Trustees meeting indicated Trustee McCrary voted in favor of the reappointment of his wife to the position of Village Clerk. The appointment or hiring of a relative by a public official is prohibited by the Missouri Constitution. In addition, Trustee McCrary voted in favor of an ordinance granting an easement of village property to one of his sons.

The Missouri Constitution provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. However, Trustee McCrary has been reelected to the board in April 2000, subsequent to the appointment in question.

(over)

YELLOW SHEET

Because of the serious consequences which result by hiring a relative, the board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the board minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so that the public has assurance that no village official has benefited improperly. In addition, the board should consider establishing a policy which addresses these types of situations and provides a code of conduct for village officials.

The Board of Trustees has not appointed separate individuals to serve as Village Clerk or Village Treasurer. The Village Clerk also serves as the Village Treasurer, and until 2000, also served as Village Collector. The Village Clerk is responsible for all record keeping duties of the village, including receiving and depositing monies, preparing invoices for payment, signing checks, performing bank reconciliations, and preparing financial reports. Neither the board nor other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by the Village Clerk. The current procedures jeopardize the system of independent checks and balances intended by state law. In addition, the village clerk is not bonded as required by state law.

During the year ended December 31, 2000, the village received approximately \$3,000 in motor vehicle-related revenues from the state which were deposited in the General Revenue Fund. The Missouri Constitution, requires that motor vehicle-related revenues apportioned by the state of Missouri be expended for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets.

The Village Clerk, who also served as Village Collector, collected property taxes for 1999 and prior tax years for the village. The Village Collector did not prepare a delinquent tax list and turn it over to the County Collector as required by state law. The County and Township Collectors began collecting taxes for the village in 2000.

State law requires the Board of Trustees to annually turn over to the county collector a delinquent tax list and certified copies of all tax bills included in the delinquent list. The County Collector is then responsible for collecting the amounts due, including any interest and penalty charges. An Attorney General's Opinion concluded that the delinquent taxes of a village should be in the hands of the county collector by the first Monday in March of each year.

The village has not established a formal policy regarding public access to village records. Currently, the village charges residents \$1 per page for copies of village records. Written policies would establish procedures for the residents to follow and the cost for the requested information. In addition, written policies would help avoid misunderstandings regarding the availability of village records.

Village elections held prior to April 1999 were held at the home of the Village Clerk and her husband, Trustee McCrary. This does not appear proper, particularly since Trustee McCrary was running for the board during the election held at this home. In addition, while the village minute indicate who won the elections, adequate documentation, including the abstract of votes, was not maintained. Village elections are now conducted by the County Clerk.

An annual maintenance plan for village streets has not been prepared.

VILLAGE OF CLYDE, MISSOURI

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CLAIRE C. McCASKILL
Missouri State Auditor

To the Honorable Chairman
and
Members of the Board of Trustees
Village of Clyde
Clyde, Missouri 64432

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Clyde, Missouri. Our audit of the village included, but was not limited to, the year ended December 31, 2000. The objectives of this audit were to:

1. Perform procedures we deemed necessary to evaluate the petitioners' concerns.
2. Review compliance with certain constitutional provisions, statutes, ordinances, and attorney general's opinions as we deemed necessary or appropriate in the circumstances.
3. Review certain management practices which we believe could be improved.

Our audit was made in accordance with generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. We also reviewed board minutes, village policies and ordinances, and various village financial records.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention which would have been included in this report.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the village and was not subjected to the auditing procedures applied in the audit of the village.

The accompanying Management Advisory Report presents our findings and recommendations arising from our audit of the Village of Clyde, Missouri.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

March 21, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Karen Laves, CPA
Audit Manager: Todd M. Schuler, CPA
In-Charge Auditor: Tiffany Blew

HISTORY AND ORGANIZATION

VILLAGE OF CLYDE, MISSOURI
HISTORY AND ORGANIZATION

The village of Clyde was incorporated in 1879 and is located in Nodaway County. The population in 2000 was 71.

The village government consists of a five-member Board of Trustees. The trustees are elected in staggered elections for two-year terms. The chairperson is appointed by the board from the members. The village officials at December 31, 2000, were:

<u>Elected Officials</u>	<u>Term Expires</u>	<u>Actual Compensation for the Year Ended December 31, 2000</u>
Gerald Eckstein, Chairperson(1)	April 2001	\$ 0
Joseph Stoll, Trustee (2)	April 2001	0
Bill Spire, Trustee	April 2002	0
Bill McCrary, Trustee	April 2002	0
Leonard Untiedt, Trustee (3)	April 2002	0

Other Principal Officials

Sue McCrary, Village Clerk/Treasurer	\$100
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- (1) Re-elected in April 2001 and continues to serve as Board Chairperson.
- (2) Appointed in April 2000 to fill the unexpired term of Joe Eckstein. Elected in April 2001.
- (3) Resigned in November 2000. This seat was vacant until April 2001 when James Bliley was elected.

Assessed valuation and tax rate information for 2000 is as follows:

ASSESSSED VALUATION	
Real Estate	\$153,259
Personal Property	<u>103,253</u>
Total	<u>\$256,512</u>

TAX RATE PER \$100 OF ASSESSED VALUATION

General Fund	\$ 0.53
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A summary of the financial activity for the village of Clyde for the year ended December 31, 2000, is presented on the next page.

RECEIPTS

Motor fuel and motor vehicle fees	\$	2,914
Grant		2,000
Property taxes		1,646
Franchise fees		1,113
Interest		330
Miscellaneous		1
Total Receipts		<u>8,004</u>

DISBURSEMENTS

Engineering		2,590
Building		2,203
Building remodeling		2,000
Streetlights		1,282
Attorney fees		919
Labor		585
Insurance		314
Gravel and tubes		204
Utilities		167
Mowing and equipment		135
Elections		116
Salaries		100
Miscellaneous		50
Total Disbursements		<u>10,665</u>

Receipts Over (Under) Disbursements (2,661)

Cash Balance, January 1, 2000 14,134

Cash Balance, December 31, 2000 \$ 11,473

MANAGEMENT ADVISORY REPORT

VILLAGE OF CLYDE, MISSOURI
SUMMARY OF FINDINGS

1. Expenditures (pages 9-11)

The village does not have a formal bidding policy. Board minutes do not identify the disbursements approved by the board at its regular meetings and the village did not enter into formal written agreements for engineering or legal services. Adequate documentation was not always maintained to fully support some expenditures and the village did not obtain an appraisal of the land and building it acquired.

2. Conflicts of Interest (pages 11-12)

A board member was involved in the appointment of his wife as Village Clerk and the approval of an ordinance which appeared to benefit his son. Several current and former board members were compensated for performing services for the village, contrary to state law.

3. Budgets, Minutes, and Financial Statements (pages 12-13)

The village does not adopt an annual budget. Board minutes are not signed by the Village Clerk and do not always include sufficient detail of matters discussed and actions taken. Semiannual financial statements are not prepared.

4. Property Tax Procedures (pages 13-14)

The Village Collector did not prepare a delinquent tax list and penalties were not assessed correctly on delinquent taxes. The village's property tax rate exceeds the maximum authorized by state law and public hearings on the village's proposed property tax rates have not been held for at least the past several years.

5. Accounting Controls (pages 15-16)

The board has not appointed separate individuals to serve as Village Clerk and Village Treasurer. The village has not established a separate accounting for motor vehicle-related revenues. The Village Clerk is not bonded and checks do not require two signatures. Bank reconciliations are either not performed or not documented for some months.

6. Ordinances and Policies (pages 16-17)

Improvement is needed in the organization of the village ordinances and the village has not established a policy regarding public access to village records.

7. Elections (pages 17-18)

Village elections prior to 1999 were held at the home of a Trustee and adequate documentation of elections was not maintained.

8. Street Maintenance Plan (page 18)

An annual maintenance plan for village streets has not been prepared.

VILLAGE OF CLYDE, MISSOURI
MANAGEMENT ADVISORY REPORT

1. Expenditures

- A. The village does not have a formal bidding policy. As a result, the decision of whether to solicit bids for a particular purchase is made on an item-by-item basis. Bids were not solicited in 2000 for engineering services (\$2,590) and roofing, paint, and lumber materials for the museum building (\$1,280).

Formal bidding procedures for major purchases would provide a framework for economical management of village resources and help ensure the village receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the village's business. Not only can bids be handled by telephone quotation, but bids can also be obtained by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the bid was selected, including documenting circumstances regarding sole source procurement of goods or services.

- B. The board's review and approval of expenditures is not adequately documented. Although the board minutes occasionally document approval of specific payments, board approval is generally not documented. Invoices are generally not signed or initialed by the trustees, and a listing of all disbursements approved for payment by the board is not prepared to accompany the minutes.

To adequately document the board's review and approval of all disbursements, a complete and detailed listing of bills should be prepared, signed or initialed by the trustees to denote their approval, and retained with the official minutes. In addition, supporting documentation should be reviewed by the Board of Trustees before payment is made to ensure all disbursements represent valid operating costs of the village.

- C. The village has not entered into written contracts for various services obtained. For example, the village has not entered into a formal written contract for its engineering or legal services.

Section 432.070, RSMo 2000, requires contracts of political subdivisions be in writing. The village should enter into written contracts for services rendered or obtained. A written contract, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

- D. Supporting documentation was not maintained or was not adequate for some disbursements made by the village. Several payments to current and former board members were not adequately supported. The board indicated these were for mowing, street work, and reimbursements of expenses; however, there was no documentation to support these payments. In addition, other invoices were not adequately detailed to support the work performed.

All disbursements should be supported by paid receipts and/or complete vendor-provided invoices to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds. The village should require detailed invoices for all services which include the number of hours worked each day, the work performed, and the hourly rate charged.

- E. The village did not obtain an appraisal of the value of the land and building it purchased, for \$1,950, to serve as a museum and meeting hall. To ensure the village received the best value, a professional appraisal should have been obtained.

WE RECOMMEND the Board of Trustees:

- A. Establish formal bidding policies and procedures, with provisions for documentation of the justification for selecting and rejecting bids. If sole source procurement is necessary, the village should retain documentation of these circumstances.
- B. Ensure the approval of all disbursements is adequately documented by including a listing of all approved disbursements in the board minutes.
- C. Enter into written contracts for all services which define the duties and responsibilities of both parties.
- D. Ensure all disbursements are supported by paid receipts and/or vendor-provided invoices which contain an adequate description of the goods or services received.
- E. Obtain professional appraisals before acquiring real estate.

AUDITEE'S RESPONSE

- A. *The Board agrees and plans to establish a formal bidding policy.*
- B. *The Board agrees and will ensure the monthly report detailing all expenditures, reviewed and approved by the Board, is included in the minutes.*
- C. *We agree and will ensure contracts are obtained for services in the future.*
- D. *We agree and will ensure adequate documentation for expenditures in the future.*

E. *The Board will take this recommendation under advisement.*

2. Conflicts of Interests

A. The minutes for the May 1999 Board of Trustees meeting indicated Trustee McCrary voted in favor of the reappointment of his wife to the position of Village Clerk. The appointment or hiring of a relative by a public official is prohibited by the Missouri Constitution. In addition, Trustee McCrary voted in favor of an ordinance granting an easement of village property to one of his sons.

Article VII, Section 6 of the Missouri Constitution provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. However, Trustee McCrary has been reelected to the board in April 2000, subsequent to the appointment in question.

Because of the serious consequences which result by hiring a relative, the board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the board minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so that the public has assurance that no village official has benefited improperly. In addition, the board should consider establishing a policy which addresses these types of situations and provides a code of conduct for village officials.

B. Several current and former board members were compensated for performing services for the village in 1999 and 1998. One board member received \$60 for mowing services in 1999 and the same board member, and four others, were compensated for performing street maintenance services in 1998 and received a total of \$600.

Section 105.458, RSMo 2000, states "no member of any legislative or governing body of any political subdivision of the state shall: (1) Perform any service for such political subdivision or any agency of the political subdivision for any consideration other than the compensation provided for the performance of his official duties".

WE RECOMMEND the Board of Trustees:

A. Avoid transactions that represent actual conflicts of interest or the appearance of conflicts of interest and ensure all appointments of individuals to village positions comply with the restrictions of Article VII, Section 6, of the Missouri Constitution, in regard to the appointment of relatives. If a relative of a village official is considered for appointment, that official should abstain from voting on the appointment and that action should be adequately documented in the minutes.

In addition, the board should consider adopting a code of conduct for village officials.

- B. Comply with state statutes relating to the compensation of village officials.

AUDITEE'S RESPONSE

- A. *The Board has already addressed this issue and made any necessary changes.*
- B. *The Board agrees and will continue to do so.*

3. Budgets, Minutes, and Financial Statements

- A. The village has not prepared an annual budget. Section 67.080, RSMo 2000, provides that no expenditure of public monies shall be made unless it is authorized in the budget.

Sections 67.010 to 67.080, RSMo 2000, set specific guidelines for the format, approval, and amendment of the annual operating budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and revenue expectations for each area of the village operations and provide a means to effectively monitor actual costs and revenues. It will also assist in setting tax levies and informing the public about the village's operations and current finances. A complete budget should include separate receipt and disbursement estimations by fund, and include the beginning available resources and reasonable estimates of the ending available resources. The budget should also include a budget message and comparisons of actual receipts and disbursements for the two preceding years.

- B. The board meeting minutes are prepared by the Village Clerk but are only signed by the Chairman. The board minutes should be signed by the Village Clerk as preparer and by the Chairman to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the board's meetings.
- C. Board minutes did not always include sufficient detail of matters discussed and actions taken. In April 2000, the appointment of Trustee Joe Stoll to fill a vacant position was not documented in the minutes. In addition, board minutes do not always include a record of votes taken.

Section 610.020, RSMo 2000, states that "the minutes shall include the date, time, place, members present, members absent, and a record of votes taken". Complete and accurate minutes provide an official record of board actions and decisions.

- D. Semiannual financial statements are not prepared and published or posted as required by law. Section 80.210, RSMo 2000, provides that the Board of Trustees in March and September is to prepare and publish semiannual financial statements in a local newspaper or to post semiannual financial statements in six public places within the town.

WE RECOMMEND the Board of Trustees:

- A. Prepare complete and accurate annual budget documents that contain all information required by state law and/or necessary to provide a complete financial plan for the village.
- B. Ensure board meeting minutes are signed by the Chairman and the Village Clerk to attest to their completeness and accuracy.
- C. Ensure all significant discussions, actions taken, and information required by state law are included in the minutes.
- D. Publish or post semiannual financial statements in accordance with state law.

AUDITEE'S RESPONSE

- A. *We agree and will prepare a budget for 2002 as recommended.*
- B. *We agree and will begin doing this at the next meeting.*
- C. *We agree and will ensure the minutes are in adequate detail as required by state law.*
- D. *We plan to do this beginning with September 2001, as requested.*

4. Property Tax Procedures

- A. The Village Clerk, who also served as Village Collector, collected property taxes for 1999 and prior tax years for the village. The Village Collector did not prepare a delinquent tax list and turn it over to the County Collector as required by state law. The County and Township Collectors began collecting taxes for the village in 2000.

Section 80.480, RSMo 2000, requires the Board of Trustees to annually turn over to the county collector a delinquent tax list and certified copies of all tax bills included in the delinquent list. The County Collector is then responsible for collecting the amounts due, including any interest and penalty charges. Attorney General's Opinion No. 31, 1950 to Frank, concluded that the delinquent taxes of a village should be in the hands of the county collector by the first Monday in March of each year.

B. The Village Clerk did not assess penalties correctly on delinquent taxes. The Village Clerk charged \$3.50 per year for each year the tax was delinquent. Section 140.100.1, RSMo 2000, provides a penalty of two percent per month up to a maximum of 18 percent per year for each delinquent tax bill.

C. The village's property tax rate exceeds the maximum authorized by state statutes.

Section 80.460, RSMo 2000, provides that a village's tax levy shall not exceed 50 cents for general municipal purposes except by a two-thirds vote, and only for a period of four years at a time. The village's tax rate for 2000 is 53 cents. There is no documentation the additional levy (above 50 cents) has ever been approved by a vote of the people. The village should review this situation and set its tax rate in compliance with state law.

D. The Board of Trustees has not held public hearings on the village's proposed property tax rates for at least the past several years. The approved 2000 tax rate was discussed at the September 2000 board meeting, but the tax rate had already been approved by the Board. Section 67.110, RSMo 2000, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rates. This section also provides guidance on what information is to be included at the public hearing.

In addition, the Board of Trustees has not prepared an ordinance establishing the approved tax levy each year as required by Section 80.460, RSMo 2000.

WE RECOMMEND the Board of Trustees:

A. Ensure a delinquent property tax list is turned over to the County Collector annually as required by state law, if the village collects its own taxes.

B. Ensure the penalty for the collection of delinquent property taxes is charged in accordance with state law, if the village collects delinquent taxes in the future.

C. Comply with state statutes when setting future tax levies.

D. Hold a public hearing on proposed property tax rates as required by state law and establish the annual tax rates by ordinance.

AUDITEE'S RESPONSE

A&B. The County Collector is now in charge of collecting the delinquent taxes.

C. We will take this under advisement after consulting our attorney and the County Clerk.

D. We will comply with State Law and annually pass an ordinance establishing the tax rate for that year.

- A. The Board of Trustees has not appointed separate individuals to serve as Village Clerk or Village Treasurer. Presently, the Village Clerk also serves as the Village Treasurer, and until 2000, also served as Village Collector. The Village Clerk is responsible for all record keeping duties of the village, including receiving and depositing monies, preparing invoices for payment, signing checks, performing bank reconciliations, and preparing financial reports. Neither the board or other personnel independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by the Village Clerk.

Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these three offices, by the same person at the same time would be incompatible. The statutes pertaining to villages are similar to those cited in this opinion; therefore, the opinion's conclusion appears applicable to villages also. Holding all three of these offices does not allow the segregation of duties necessary for a proper evaluation and review of financial transactions.

The current procedures jeopardize the system of independent checks and balances intended by state law. If the duties cannot be adequately segregated, the board should ensure an independent review of the activities performed by the Village Clerk is performed on a periodic basis.

- B. During the year ended December 31, 2000, the village received approximately \$3,000 in motor vehicle-related revenues from the state which were deposited in the General Revenue Fund. Article IV, Section 30, of the Missouri Constitution, requires that motor vehicle-related revenues apportioned by the state of Missouri be expended for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets. The village has not established a separate accounting for these receipts and the related disbursements to ensure compliance with the Constitutional restriction.
- C. The Village Clerk is authorized to sign checks; however, the village does not have bond coverage for the clerk. Section 80.250, RSMo 2000, requires the Village Clerk to be bonded in a sum not less than one thousand dollars. Failure to properly bond all persons with access to assets exposes the village to risk of loss. Currently, dual signatures on checks are not required. Requiring two signatures on all checks would also provide additional controls over the use of the funds.
- D. Bank reconciliations are either not performed or not documented for some months. Monthly bank reconciliations should be prepared to ensure that all accounting records balance and transactions have been properly recorded and any errors or discrepancies are detected on a timely basis. Complete documentation

of the reconciliations should be retained to support conclusions and any corrections made and to facilitate independent reviews.

WE RECOMMEND the Board of Trustees:

- A. Consider appointing separate individuals to the positions of Village Clerk, Village Collector, and Village Treasurer. If this is not possible, at a minimum, procedures for an adequate independent review of the record keeping functions should be established.
- B. Establish a mechanism to track and account for the restricted receipts to ensure funds are spent in accordance with applicable laws and regulations.
- C. Obtain adequate bond coverage for all persons handling village monies and require two signatures on all checks.
- D. Ensure bank reconciliations are performed and documented on a monthly basis.

AUDITEE'S RESPONSE

- A. *The Board will ensure a review of the Village Clerk's work, and said review will be documented.*
- B. *We agree to establish a plan and procedure to do so.*
- C. *The Board is taking this under advisement and we will require two signatures on all checks.*
- D. *The Board agrees and will implement this immediately.*

6. Ordinances and Policies

- A. Improvement is needed in the organization of the village's ordinances. The village updated its ordinance book in 1998; however, some ordinances were not included and the village has not adopted ordinances for certain items as required by state law. The ordinance authorizing a franchise fee on residents' utility bills was not included in the 1998 update and the village has not adopted ordinances to address such items as duties and compensation of village officials and employees. In addition, the ordinances have not been codified, thus hindering the village's ability to locate specific ordinances.

Since ordinances represent legislation which has been passed by the Board of Trustees to govern the village and its residents, it is important that the village's ordinances be maintained in a complete and up-to-date manner. Such items as duties and compensation of village officials and employees should be set forth in

the ordinances to give the taxpayers information on how the village is to be governed. Codification of the village's ordinances would assist the village in locating specific ordinances and in keeping track of additions and changes made to the village's ordinances.

- B. The village has not established a formal policy regarding public access to village records. Currently, the village charges residents \$1 per page for copies of village records. Section 610.026, RSMo 2000, allows the village to prescribe reasonable fees for providing access to or furnishing copies of public records, not to exceed the actual cost of document search and duplication. Section 610.023, RSMo 2000, lists requirements of making village records available to the public.

Written policies would establish procedures for the residents to follow and the cost for the requested information. In addition, written policies would help avoid misunderstandings regarding the availability of village records.

WE RECOMMEND the Board of Trustees:

- A. Ensure a complete set of ordinances is maintained and consider codifying the ordinances. In addition, the village should adopt ordinances to address items such as duties and compensation of village officials.
- B. Develop written policies regarding procedures to obtain access to, or copies of, public village records.

AUDITEE'S RESPONSE

- A. *We will maintain a set of ordinances and will take the rest of the recommendations under advisement.*
- B. *We will discuss an appropriate written procedure for making copies available.*

7. Elections

Village elections held prior to April 1999 were held at the home of the Village Clerk and her husband, Trustee McCrary. This does not appear proper, particularly since Trustee McCrary was running for the board during the election held at his home. In addition, while the village minutes indicate who won the elections, adequate documentation, including the abstract of votes, was not maintained. Village elections are now conducted by the County Clerk.

The Secretary of State has established record retention guidelines for local government officials. An abstract of votes should be maintained permanently from every election, which indicates votes received by each candidate..

WE RECOMMEND the Board of Trustees continue having the County Clerk conduct elections for the village. In addition, election records should be retained in accordance with the Secretary of State's guidelines.

AUDITEE'S RESPONSE

This issue has already been resolved and is not relevant to this audit period.

8. Street Maintenance Plan

An annual maintenance plan for village streets has not been prepared. A formal maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the streets to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and be approved by the board. In addition, a public hearing should be held to obtain input from the village residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. Such a plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year.

WE RECOMMEND the Board of Trustees prepare a formal maintenance plan for village streets at the beginning of the fiscal year and periodically update the plan throughout the year. In addition, the board should review the progress made in the repair and maintenance of streets to make appropriate decisions on future projects.

AUDITEE'S RESPONSE

The Board currently does this, but in the future will ensure these plans are documented so they are more readily available.

This report is intended for the information of the village's management and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.