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Missouri State Auditor

City of St. Mary



September 2010
Report No. 2010-119

auditor.mo.gov



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YELLOW SHEET

Findings in the audit of the City of St. Mary

Meeting Minutes

The Board does not sign the detailed list of bills approved for payment. In addition, a copy of the detailed list is not retained with meeting minutes. As a result, it is not clear which disbursements were approved since the official meeting minutes simply indicate the Board approved the payment of bills.

Ordinances

The city ordinances are not well organized, and the city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect.

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City of St. Mary

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of St. Mary, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Mary. The city engaged Maloney, Wright & Robbins, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2009. To minimize duplication of effort, we reviewed the preliminary draft report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Mary.

An additional report, No. 2010-101, *Twenty-fourth Judicial Circuit, City of St. Mary, Municipal Division*, was issued in August 2010.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Joe Adrian

City of St. Mary

Management Advisory Report

State Auditor's Findings

1. Meeting Minutes

The Board does not sign the detailed list of bills approved for payment. In addition, a copy of the detailed list is not retained with meeting minutes. As a result, it is not clear which disbursements were approved since the official meeting minutes simply indicate the Board approved the payment of bills.

To ensure all disbursements are properly approved, the Board should sign the approved list of bills and retain the list with meeting minutes.

Recommendation

The Board of Aldermen sign the detailed list of bills approved for payment and ensure the signed copy is retained with meeting minutes.

Auditee's Response

The Mayor and Board of Aldermen provided the following written response:

Bills will be signed by the Mayor in the future and filed with the minutes.

2. Ordinances

The city ordinances are not well organized, and the city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect.

Since ordinances represent legislation passed by the Board to govern the city and its residents, it is important ordinances be maintained in a complete and up-to-date manner. An index of all ordinances passed and repealed by the city would help keep track of additions and changes made to city ordinances.

Recommendation

The Board of Aldermen require a summary list of ordinances passed, rescinded, or superseded be prepared and maintained. In addition, the Board should ensure a complete and up-to-date set of ordinances is created and maintained.

Auditee's Response

The Mayor and Board of Aldermen provided the following written response:

The index of ordinances is being brought up to date by the City Clerk.

City of St. Mary

Organization and Statistical Information

The City of St. Mary is located in Ste. Genevieve County. The city was incorporated in 1892 and is currently a fourth class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended September 30, 2009, are identified below. The Mayor is paid \$55 per month and Board of Aldermen members are each paid \$25 per month. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended 9/30/09
Carlton Wyatt, Mayor (1)	July - September
Ronnie Barnett - Mayor (2)	May - June
Jay Wilson, Mayor	October - April
Dennis Bovey, Alderman	October - September
Robert Bequette, Alderman	October - September
Frank Gerardot, Alderman	October - September
Jeff Stokes, Alderman	October - September

- (1) Carlton Wyatt was appointed Mayor by a majority vote of the Board of Aldermen after Mayor Ronnie Barnett resigned in June 2009.
- (2) Ronnie Barnett was elected Mayor after Jay Wilson's term ended in April 2009.

Other Officials

Name and Title	Dates of Service During the Year Ended 9/30/09	Compensation Paid for the Year Ended 9/30/10
Jason Martin, City Clerk (1)	February - September	\$7,594
Annette Hacker, Collector*	April - September	3,243
Brian Helms, Collector*	October - March	7,592
JoAnn Donze, Deputy City Clerk / City Treasurer / Court Clerk (1)	October - September	8,363
Mark Bequette, Chief of Police	October - September	22,140
Suzanne Greminger, Municipal Judge*	October - September	500

- (1) JoAnn Donze was the City Clerk from October 2008 through January 2009. During that same period, Kim Basler and Sandy Koller were each temporarily employed as interim City Clerk to take over the position from Ms. Donze; however, both left shortly after being employed. In February 2009, Ms. Donze was appointed as the Deputy Clerk to assist the newly appointed City Clerk Jake Martin.

* Elected position

In addition to the officials identified above, the city employed 2 full-time employees and 1 part-time employee on September 30, 2009.