



# CITIZENS SUMMARY

## Findings in the audit of the City of Willard

### Utility System Controls and Procedures

The city has high amounts of water losses and has not successfully reduced the rate of loss to acceptable levels. The city had water losses of approximately 25% of the water pumped during the period reviewed. The standard for Missouri established by the Department of Natural Resources is 10%. The city does not have a written policy to collect outstanding balances for inactive utility accounts and many old accounts have not been submitted to a collection agency in accordance with city procedures. As of March 3, 2026, the city had 324 customer utility accounts totaling \$41,763 that had been disconnected and had balances more than 90 days past due, including 31 accounts for landlords totaling \$1,467.

### Payroll and Personnel Policies and Procedures

The city did not report allowances paid to the City Administrator as taxable income on the employee's W-2 form or subject the amounts to payroll tax withholdings during the year ended December 31, 2024, for housing expenses totaling \$5,000, moving expenses totaling \$2,000, and automobile expenses totaling \$200. The city's personnel manual does not adequately address holiday pay and some employees used more personal holiday leave than allowed by policy and practice. The audit found 9 city employees used more hours of personal holiday leave than was allowed by city policies and practice, with the hours used in excess of the maximum allowed ranging from 1.5 to 11 hours per employee.

### Disbursement Procedures

The city has not established procedures to routinely follow up on old outstanding checks in the city's bank account. As of June 30, 2025, the audit noted 134 checks, totaling \$7,242, that had been outstanding for more than a year, with the oldest check dating back to 2016. The audit also found the city approved payment for transactions that included Missouri state sales tax. Out of the 40 items tested, the city paid \$130 in state sales tax on 4 transactions.

### Ordinances and Policies

Some city ordinances have not been reviewed and updated for several years and consequently do not accurately reflect current operations, outline procedures needed in certain areas, or provide clear expectations and responsibilities for city personnel.

### Sunshine Law

The Board did not always ensure compliance with the Sunshine Law for open and closed meetings. The city did not always prepare or retain closed meeting minutes, and city personnel could not provide closed meeting minutes for 9 out of 19 closed meetings held during 2024. Open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed for 6 of the 19 closed meetings held in 2024.

### Electronic Communication Policy

The city has not developed a comprehensive records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

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.



---

## Recommendations in the audit of the City of Willard

---

|                                               |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                          |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Utility System Controls and Procedures        | The Board of Aldermen:                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                          |
|                                               | 1.1                                                                                                                                                                                                                                                                                                                      | Take appropriate actions to reduce water losses to acceptable levels.                                                                                                                                                                                    |
|                                               | 1.2                                                                                                                                                                                                                                                                                                                      | Establish adequate written procedures for the collection of delinquent utility accounts and ensure procedures are followed.                                                                                                                              |
| Payroll and Personnel Policies and Procedures | The Board of Aldermen:                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                          |
|                                               | 2.1                                                                                                                                                                                                                                                                                                                      | Amend the 2024 W-2 for the City Administrator and ensure future compensation is properly reported and subjected to proper withholdings.                                                                                                                  |
|                                               | 2.2                                                                                                                                                                                                                                                                                                                      | Review and revise the employee manual to adequately address holiday pay and develop procedures to ensure employees do not use more personal holiday leave than allowed.                                                                                  |
| Disbursement Procedures                       | The Board of Aldermen:                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                          |
|                                               | 3.1                                                                                                                                                                                                                                                                                                                      | Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disposed of in accordance with state law. |
|                                               | 3.2                                                                                                                                                                                                                                                                                                                      | Ensure sales tax is not paid on city purchases.                                                                                                                                                                                                          |
| Ordinances and Policies                       | The Board of Aldermen ensure the city maintains complete, consistent, and updated ordinances and policies documenting city operations, and that procedures are in alignment with these ordinances and policies.                                                                                                          |                                                                                                                                                                                                                                                          |
| Sunshine Law                                  | The Board of Aldermen ensure closed meeting minutes are prepared, retained, signed by the preparer, and reviewed and signed by the Board. Additionally, ensure specific reasons for closing a meeting are documented in the open minutes, and all open minutes are signed by the preparer and at least one board member. |                                                                                                                                                                                                                                                          |
| Electronic Communication Policy               | The Board of Aldermen develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.                                                                 |                                                                                                                                                                                                                                                          |