



**Thomas A. Schweich**  
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# CITIZENS SUMMARY

## Findings in the audit of the City of Savannah

Water and Sewer System	<p>Prior Boards of Aldermen failed to properly address the weak financial condition of the Combined Water and Wastewater Fund. Since at least August 2006, the city has not funded reserve accounts as required by bond covenants. Recent Boards have taken actions to address the financial condition of the fund, but the city has indicated that it will take several years to fulfill the reserve requirements. The city does not always prepare an adequate cost analysis to support water rate and sewer rate increases. The city lacks adequate policies and procedures regarding handling and accounting for delinquent utility accounts, adjustments to customer account balances are not reviewed and approved by an independent person, and the city does not always assess the late penalty or disconnect services for city officials and employees when their utility payments were late. The City Administrator does not approve partial payment arrangements, and these arrangements are not always in compliance with city policy. The city does not charge all city departments for water usage at city facilities, and the city lacks sufficient procedures to ensure monies received from the bulk water sales machine are deposited.</p>
Accounting Controls, Records, and Procedures	<p>The city does not track the balance of various restricted revenues. The city absorbed \$9,900 in credit card fees from utility bill payments rather than passing these fees on to the credit card users. The City Administrator does not use actual costs or other documented rationale to allocate wages and applicable withholdings or assess administrative fees, making it difficult to accurately determine the results of operations of specific activities. The city does not reconcile fuel usage to fuel purchases, which would help reduce the risk of loss, theft, and misuse. The city does not have an accounting policies and procedures manual, and the city's independent auditor reported a material weakness in city controls regarding financial reporting.</p>
Golf Course	<p>The golf course does not adequately segregate duties, record the method of payment received, or maintain the change fund at a constant amount. Neither the Board nor the advisory committee have reviewed and approved the prices/fees or considered related costs, and the advisory committee did not always comply with the Sunshine Law requirements regarding closed meetings. The golf course manager does not perform a periodic physical inventory of golf course concession items and merchandise or reconcile the inventory to sales and purchases of the concession items/merchandise.</p>
Parks and Recreation	<p>The Parks and Recreation Department does not adequately segregate duties, issue receipt slips, or maintain records of monies received. The Park Board has not reviewed and approved prices/fees and does not have written agreements with several organizations, as required by law. The Park Board approved deficit fund balances, does not adequately monitor monthly budget to actual reports and amend the budget when necessary, and has not submitted an annual report of operations to the city.</p>

Procurement and Contracts	The city did not solicit competitive proposals or bids for several significant purchases as required by City Code and does not buy concession items in bulk. The city does not have formal written agreements with several not-for-profit organizations defining services to be provided or benefits to be received, and the not-for-profits do not regularly provide the city with documentation of the services provided.
Personnel Policies and Procedures	The city provides full-time employees with certain benefits, including a \$600 annual family golf membership, a \$200 family swimming pass, one free rental of the Clasbey Center per year, and two city cemetery plots for employees with 20 or more years of service, which it does not report on the employees' W-2 forms. Each December the city pays eligible employees \$30 for each year of employment, which violates the Missouri Constitution's prohibition against extra compensation for services already rendered. The city did not protest the unemployment claims of two former council members although elected officials are exempt from unemployment claims. City personnel policies do not address some current personnel practices, and at least one policy regarding compensatory time is not being followed.
Closed Meetings	The Board uses the same statement in each meeting notice/agenda to indicate the potential for a closed meeting, rather than citing the specific exception when applicable. The Board discussed some items in closed meetings that are not allowed by state law and sometimes discussed issues other than the specific reason cited in the open meeting minutes for going into a closed meeting.
Computer Controls	The city has not established adequate computer system controls. The city does not have a formal, written contingency plan for resuming operations and recovering computer systems and data in the event of a disaster and does not store backup data at a secure off-site location.
Capital Assets	The city does not maintain complete and detailed records of all capital assets, tag or otherwise identify capital assets as property of the city, or perform an annual physical inventory of city property.
Tickets	The police department does not account for the ultimate disposition of traffic tickets and the city has not developed adequate procedures for collecting on unpaid parking tickets.

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

\*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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