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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Higher Education, St. Charles Community College

Budget Procedures and Subsidy	The college did not prepare budget documents for several operating funds, including, the Unrestricted Funds, Federal Financial Aid Fund, Plant Fund, Agency Fund, 29 restricted funds, and 4 auxiliary funds. Budget documents approved by the Board of Trustees for the year ended June 30, 2013, did not include some budgetary information required by law. The college subsidizes the operating costs of the Child Development Center (CDC), which is a state-licensed on-campus facility. In fiscal year 2013, the college transferred $87,000 (from the General Revenue Fund and bookstore operations) to cover the CDC's operating shortfalls. The college should analyze ways to make the program more cost-effective and maximize program resources and review the adequacy of the fees currently charged.
Accounting Controls and Procedures	CDC personnel do not account for the numerical sequence of receipt slips. Cashier's office and bookstore personnel allowed students and employees to cash personal checks from daily cash receipts, which prevents daily receipts from being deposited intact. The college bookstore maintains a change fund of $6,100, which may be excessive, and the bookstore has not performed an analysis to determine if such a large change fund amount is necessary during slower months.
Rental Fees, Disbursements, Bids and Contracts	The college rents its facilities to the public, but lacks supporting documentation detailing how it determined what fees to charge. The college has not conducted a formal cost study or reviewed the amounts charged since 2006. The college did not always solicit bids for professional services or other goods and services and did not always enter into formal written agreements. The college has continued to renew its contract for legal services since March 2002 without soliciting competitive proposals, does not solicit bids for fuel purchased, and has not entered written contracts with either textbook buy back vendor.
Capital Assets	The college needs to improve its procedures and records to account for college property. An annual inventory of all capitalized assets costing greater than $5,000 and all technology equipment is performed. However, inventory worksheets are not maintained and the missing assets report for the fiscal year ended June 30, 2013, could not be located; and personnel did not always update the manual capital asset log to document assets had been properly tagged and identified as college property.
Credit Card Convenience Fees	The college absorbs the credit card fees rather than passing them on to the students who pay with credit cards. The college paid $139,000 in related credit card fees during fiscal year 2013.

Vehicle Usage and Fuel Logs

The college needs to improve controls and procedures over fuel purchases and usage. The college operated 28 non-street licensed vehicles and equipment and maintains one diesel tank and one gasoline tank that are not metered. The grounds supervisor does not maintain a log documenting fuel purchases, usage, or on hand and no procedure is performed to periodically reconcile those items.

College Foundation

The college subsidizes certain operating expenses of its not-for-profit foundation, which may violate the Missouri Constitution. The college covered approximately 84 percent of the money the foundation spent in fiscal year 2013 and could not quantify the amount of salary and benefit costs for other college employees providing operational support attributable to foundation activities. The college does not have a formal agreement or contract with the foundation, which would clarify the duties and responsibilities of both parties. The foundation does not timely adopt a budget, and its budgets do not include the actual beginning and estimated ending available resources or a budget message.

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

*****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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