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CITIZENS SUMMARY

Findings in the audit of the City of Wellston

Accounting Controls and Procedures	The city's procedures for receipting and depositing are poor, and there are no procedures to ensure all receipts are recorded in the computerized accounting system. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited. Bank reconciliations were not performed for any of the city's bank accounts during the year ended June 30, 2015. The Council has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel are performed.
Monitoring Financial Condition	The financial condition of the General Fund has declined in recent years and is not expected to improve significantly in the immediate future. In addition, the city's financial records were not complete and accurate, making it difficult for the Council to effectively monitor the city's financial condition.
Budgets, Financial Reporting, and Ordinances	The City Council does not prepare a budget for any city funds. The city did not prepare and publish financial statements as required by state law. City personnel have not filed annual financial reports timely with the State Auditor's Office as required by state law, and continued to make disbursements after the statutorily required deadline for submitting the financial report in violation of state law. City ordinances are not complete or organized. Ordinances were last codified in 1996, and there is no up-to-date official ordinance book. The city does not maintain an index of all ordinances passed and rescinded.
Disbursements	City personnel do not always solicit competitive bids or proposals for goods and services, and the city ordinance for procurement needs to be clarified to indicate when bidding is required. The Mayor's use of city purchased fuel does not appear reasonable and necessary, is not properly reported as a taxable benefit to the Internal Revenue Service, and has not been authorized by the Council. The Council does not approve all disbursements. City personnel only submit a listing of payments that are considered non-recurring to the Council for approval and, as a result, the Council only approves a small percentage of total disbursements. The city does not have written contracts with some service providers and certain outside parties, or city personnel could not locate the contracts. We identified several wasteful or unnecessary disbursements.
Sunshine Law	The city does not timely respond to public record requests and does not maintain a log of record requests received to ensure all requests are handled in compliance with the Sunshine Law. The city did not comply with state law regarding closed sessions. Minutes for several Council meetings could not be located, and sufficient documentation was not retained when Council meetings were canceled. The city did not include sufficient details in meeting notices and agendas to advise the public of all matters to be considered.
Salaries and Employee Leave	The City Administrator received two improper payouts of accrued vacation leave, one of which was not adequately supported by the city's leave records. The city violated state law and overpaid an elected official who served a dual role. The Council has not performed any analysis to determine

if the established salaries of elected officials are comparable to other similar cities, and whether any adjustments are needed.

Restricted Monies	The city is not properly tracking and recording certain restricted monies. State motor vehicle-related and half-cent Capital Improvements Sales Tax monies are comingled with general purpose monies rather than being accounted for in separate funds. Also, the city cannot demonstrate disbursements of these funds occurred in accordance with state law, applicable ballot language, and/or city ordinance.
Capital Assets	The city does not maintain records of its capital assets including buildings, vehicles, equipment, and other property. Additionally, city assets are not tagged for specific identification, and city personnel do not perform an annual physical inventory.

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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