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CITIZENS SUMMARY

Findings in the audit of City of Northwoods

Revenue Procedures	The city's procedures for depositing receipts and collecting accounts receivable need improvement and the city's facility rental policy has not been updated to address rentals to city employees. City employees do not always deposit receipts timely. The city's Codes Inspector is not proactive in following up on accounts receivable. City employees use city facilities at no cost even though the facilities rental policy requires payments ranging from \$175 to \$300 (including a \$100 deposit).
Sunshine Law Compliance	The Board of Aldermen (Board) did not always comply with the Sunshine Law for closed meetings. The Board generally uses the same statement in each meeting notice/agenda to indicate the potential for a closed meeting, instead of citing the specific section of the law as the reason for a closed meeting. In addition, the vote of each member approving to enter into a closed meeting was not documented. Some issues discussed in closed meetings were not allowable under the Sunshine Law.
Purchasing	The city does not bid some purchases and we identified some questionable purchases. The city has not solicited bids for tree services since 2010. In addition, the city does not formally solicit proposals for bank services. Several purchases were not necessary and a prudent use of city resources.
City Procedures	City procedures related to payroll allocations, bank accounts and compensation ordinances need improvement. The city uses unsupported estimates to evenly allocate payroll costs between the restricted Street Improvement/Debt Service Fund and the restricted Parks/Stormwater Fund for public works employees. The city maintains 18 separate bank accounts, resulting in cumbersome record keeping. The city does not have ordinances related to establishing the compensation of city officials and employees.

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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