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CITIZENS SUMMARY

Findings in the audit of City of Amoret

Accounting Controls and Procedures	Accounting controls and procedures need improvement. The city's procedures for receipting, recording, and depositing are poor. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited. In addition, the City Treasurer does not perform bank reconciliations for any of the city's bank accounts, and beginning and ending book balances are not maintained in the monthly account ledgers. The city does not have procedures in place to ensure information regarding a person who may be unqualified to run for or hold elected office is reported to the appropriate authority. An alderwoman may not be qualified to serve on the board due to questions about her residency and the Mayor may not have been qualified to file as a candidate due to delinquent city taxes.
Utility System Controls and Procedures	Utility system controls and procedures need improvement. The Board of Aldermen has not established adequate procedures to ensure delinquent accounts of city officials, city employees and their family members are properly monitored, assessed applicable penalties, or disconnected when appropriate. The City Water Meter Reader's spreadsheet of customer billings, payments, and past due balances did not reflect a past due balance for her own account until July 2017, when previous charges totaling \$188 for approximately 6 months of services were added to it and she paid off that balance. In addition, the Mayor and his son's accounts were delinquent for several months, but were not assessed penalties or disconnected while delinquent. Ordinance, billing statement instructions, and city practice regarding the handling of delinquent accounts differ, and reports of delinquent utility accounts are not provided to the Board for review. The Board was unable to provide documentation that a formal review of water rates had ever been performed, and as a result there is less assurance the water rates are set at an appropriate level. In addition, the Board last performed a review of sewer rates in 2012. Refundable utility deposit monies held in the Meter Deposit Fund are not accounted for properly.
Delinquent Property Taxes	The City Collector does not prepare and submit for approval by the Board a monthly list of delinquent tax collections or an annual delinquent tax listing.
Disbursements	Controls and procedures over city disbursements need improvement. The city did not spend all restricted monies in the Street Fund for street purposes and the Board has not established controls to ensure transfers between funds are proper, approved by the Board, and timely. Some disbursements allocated to only the General Fund and Water Fund could have been allocated to various city funds. One Board member is compensated for services performed while also serving on the Board, creating a conflict of interest. The city does not have a written bid policy, and did not solicit bids for various significant purchases. The city did not maintain adequate supporting documentation for some disbursements and employee compensation was not always approved for payment by the Board at its regular monthly meetings similar to other invoices. The city made extra compensation and mileage reimbursement payments to the City Treasurer. The City Treasurer failed to monitor the city's cash balances resulting in the Sewer Fund incurring \$158 in bank overdraft charges for the 2 years ended December 31, 2016.

Ordinance and Sunshine Law Issues	City ordinances are not codified or maintained in a well-organized manner. The Board has not adopted a written policy regarding public access to city records as required by state law. City personnel do not maintain adequate records of requests for records to show compliance with state law. The city did not give notice of regular monthly Board meetings or prepare a tentative agenda in compliance with the Sunshine Law.
Budgets and Financial Reporting	The Board does not have adequate procedures to prepare or monitor budgets. The city does not publish semiannual financial statements and city personnel have not filed annual financial reports with the State Auditor's Office as required by state laws. In addition, the city has not obtained annual audits of its sewer system as required by state law.
Street Maintenance Plan	The city has not developed a formal annual maintenance plan for city streets.
Fire Department	The city's Fire Department last registered with the State Fire Marshal (SFM) in June 2015. State law requires all fire departments annually complete and file a registration form with the SFM.

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.