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CITIZENS SUMMARY

Findings in the audit of Jackson County No-Bid Contracts and Other Expenditures

No-Bid and Other Professional Service Contracts	The county did not periodically solicit or reevaluate the services provided by a law firm relating to \$1.3 million spent for federal lobbying services related to rail and mass transit. The contracts with this firm lacked detailed requirements for any specific type of services to be provided, and county management was not transparent in dealings with this law firm as questionable travel expenses of county employees and officials totaling \$162,706 were paid by this firm. Contracts totaling approximately \$2.7 million were not bid for state lobbying, various legal, and investigative services in compliance with county charter. The former County Counselor was responsible for soliciting proposals and signing these contracts, and most legal service contracts were not authorized by the County Legislature. The county also did not ensure compliance with contract terms, enter into contracts timely, or require submission of detailed invoices and supporting documentation prior to payment of these services. The former County Counselor did not solicit proposals for the consulting contract with the former County Executive or seek approval from the County Legislature. The Director of Finance and Purchasing has not prepared an annual purchasing report as required.
Other Expenditures	The county has not established adequate procedures to ensure expenditures were properly allocated or expended only for intended purposes, did not always timely enter into written contracts, and require invoices submitted to detail the services provided and expenses billed. The county lacks adequate controls and procedures to account for fuel use, and the Sheriff's office spent \$9,069 for Christmas parties that was not a reasonable or necessary use of county funds. The county has not established adequate procedures to ensure the Prosecuting Attorney's office credit card bills are paid timely.
Travel Expenditures	An adequate review of travel expense forms and supporting documentation was not always performed, and some employees received reimbursement for travel expenses not in compliance with county policy or not actually incurred. Employees did not always submit travel expense forms timely and sometimes failed to submit them, and supervisors did not always approve submitted travel expense forms. Improvement is needed in the county's travel policies to ensure employee travel costs are obtained in the most economical manner.

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.



Recommendations in the audit of Jackson County No-Bid Contracts and Other Expenditures

No-Bid and Other Professional Service Contracts

The County Legislature and County Executive:

- 1.1 Ensure professional services are properly solicited and periodically formally evaluated; enter into clear, detailed, and timely written contracts; establish procedures to properly monitor contract requirements; and ensure invoices received are adequately detailed to support the county's review.
- 1.2 Ensure professional services are properly solicited or if sole source, are approved by the County Legislature. In addition, county officials should enter into clear and detailed written contracts that ensure county money is spent appropriately and effectively.
- 1.3 Ensure the Director of Finance and Purchasing prepares an annual purchasing report in compliance with county code.

Other Expenditures

The County Legislature and County Executive:

- 2.1 Ensure costs are allocated from the appropriate funds, and supported by adequate documentation, which is retained. The County Legislature and County Executive should also reimburse the Special Road and Bridge Fund for costs inappropriately paid from that fund, determine if additional reimbursement is necessary, and ensure all future expenditures from the Special Road and Bridge Fund comply with state law.
- 2.2 Enter into timely written contracts with vendors.
- 2.3 Ensure adequate supporting documentation is submitted and maintained to support payment of all expenditures.
- 2.4 Document reconciliations of fuel usage to fuel purchases. Any significant discrepancies should be promptly investigated.
- 2.5 Discontinue paying for Christmas parties, and ensure all disbursements are necessary and prudent use of public funds.
- 2.6 Ensure credit card bills are paid timely to avoid late fees and finance charges.

Travel Expenditures

The County Legislature and County Executive:

- 3.1 Ensure an adequate review of travel advances and expenses is performed; and seek reimbursement from employees for (1) expenses claimed and reimbursed in violation of county policy, (2) expenses not incurred, and (3) lodging costs charged to the county's credit card, for canceled reservations. The County Legislature and County Executive should also ensure all employees comply with established travel policies.
- 3.2 Consider revisions to current travel policies to include documentation of price comparisons of lodging costs when an event was not at a conference hotel and requirements for the timely purchase of airline tickets to obtain better rates.