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CITIZENS SUMMARY

Findings in the audit of the City of Polo

Property Transfer	The Board of Aldermen approved the transfer of city property to an individual without properly evaluating the transaction, including not seeking a legal opinion regarding the transfer or obtaining an appraisal of the property.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured a documented supervisory or independent review over various financial accounting functions is performed. The city's procedures for receipting money need improvement, and the Board's review and approval process for disbursements is not adequate. The City Clerk does not prepare a monthly list of liabilities for water meter deposits held on behalf of utility customers to compare to the balance of the water meter account.
Utility System Controls and Procedures	Controls over non-monetary adjustments posted to customer utility accounts need improvement. City personnel do not perform monthly reconciliations of utility records.
Sunshine Law	The Board did not always comply with the Sunshine Law requirements for closed meetings and has not adopted a written policy regarding public access to city records as required by state law. The city does not maintain a log of records requests.
Compensation Ordinances and Payroll Procedures	The city does not have ordinances establishing the compensation of city officials, other than for the Mayor and Board of Aldermen, or the city's part-time employees. Employees are not required to sign timesheets and timesheets are not reviewed and approved by supervisors.
Electronic Data Security	The city has not established adequate user identification and password controls for access to city computers and data and does not store data backup files at an off-site location.
Electronic Communication Policy	The city has not developed a records management and retention policy in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

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.



Recommendations in the audit of the City of Polo

Property Transfer	The Board of Aldermen ensure all future transactions involving the purchase, sale, or transfer of city property are properly evaluated before being finalized and appraisals are obtained prior to the purchase or sale of real estate.
Accounting Controls and Procedures	<p>The Board of Aldermen:</p> <ul style="list-style-type: none">2.1 Segregate the accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.2.2 Ensure prenumbered receipt slips are issued for all money received. In addition, ensure checks and money orders are restrictively endorsed upon receipt.2.3 Review and document approval of all disbursement lists and retain with Board minutes. In addition, ensure an independent review of supporting documentation is performed before payment is made and reconcile approved disbursements to payments issued.2.4 Ensure monthly lists of liabilities are prepared and reconciled timely to the bank account. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, any unidentified money should be disbursed in accordance with state law.
Utility System Controls and Procedures	<p>The Board of Aldermen:</p> <ul style="list-style-type: none">3.1 Ensure all utility account adjustments are properly approved and compared to actual changes posted to the computer system, and documentation of the adjustments is retained.3.2 Ensure monthly reconciliations are performed of amounts billed to amounts collected and delinquent accounts, and of gallons of water billed to gallons pumped, and investigate significant differences.
Sunshine Law	<p>The Board of Aldermen:</p> <ul style="list-style-type: none">4.1 Ensure specific reasons for closing a meeting are documented in the open minutes, and only topics allowed by state law are discussed in closed meetings.4.2 Develop a written public access policy for city records.4.3 Maintain a public request log or other documentation to help ensure compliance with state law.

Compensation Ordinances and Payroll Procedures	<p>The Board of Aldermen:</p> <p>5.1 The Board of Aldermen establish, by ordinance, the compensation of city officials and employees.</p> <p>5.2 Ensure timesheets are properly completed, signed, and approved.</p>
Electronic Data Security	<p>The Board of Aldermen:</p> <p>6.1 Require employees to have unique user identifications and passwords and change passwords periodically.</p> <p>6.2 Ensure backup files are stored at a secure, off-site location.</p>
Electronic Communication Policy	<p>The Board of Aldermen work with other city officials to develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.</p>