



# Scott Fitzpatrick

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Missouri State Auditor

Dover Township - Vernon County

Report No. 2024-009

January 2024

[auditor.mo.gov](https://auditor.mo.gov)



# CITIZENS SUMMARY

## Findings in the audit of Dover Township - Vernon County

Budgets	The Board of Directors does not prepare annual budgets for township funds as required by state law.
Accounting Controls and Procedures	The Board does not review and approve disbursements before the payments are made. Neither the Board nor the Township Clerk performs monthly bank reconciliations.
Sunshine Law	Minutes of the Board meetings do not always contain sufficient detail of actions taken and are not signed by the Board members to indicate their approval.
Road Maintenance Plan	The Board has not developed a formal annual maintenance plan for township roads. The Board had informal plans for road maintenance, but was not aware of the importance of developing, updating, and monitoring a formal road maintenance plan.

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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# Dover Township - Vernon County

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**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

To the Board of Directors  
Dover Township  
Vernon County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit Dover Township - Vernon County. We have audited certain operations of the township in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2022. The objectives of our audit were to:

1. Evaluate the township's internal controls over significant management and financial functions.
2. Evaluate the township's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the township, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the township's management and was not subjected to the procedures applied in our audit of the township.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dover Township - Vernon County.

A handwritten signature in black ink, reading "S. Fitzpatrick". The signature is stylized with a large, looped "S" and a cursive "Fitzpatrick".

Scott Fitzpatrick  
State Auditor

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# Dover Township - Vernon County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Budgets**

The Board does not prepare annual budgets for township funds as required by state law. The Township Clerk indicated she did not know a budget needed to be created annually.

Section 67.010, RSMo, requires an annual budget to be prepared that presents a complete and accurate financial plan for the ensuing budget year, and outlines the various information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of township operations. It also assists in informing the public about township operations and current finances.

#### **Recommendation**

The Board of Directors prepare annual budgets that contain all information required by state law.

#### **Auditee's Response**

*The Board has prepared a 2023 budget and is currently working on creating the 2024 budget. This is pending rock and hauling bid quotes. Annual budgets will be prepared in the future as required by state law.*

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#### **2. Accounting Controls and Procedures**

Accounting controls and procedures need improvement. The township collected approximately \$55,000 from property taxes, County Aid Road Trust (CART) money, interest income, and donations during the year ended December 31, 2022. Additionally, approximately \$55,000 in disbursements were made during the year ended December 31, 2022.

##### **2.1 Board review and approval process**

The Board does not review and approve disbursements before the payments are made. The Township Trustee typically meets with the Township Clerk at her residence twice a month to prepare and sign checks for disbursements because 2 signatures are required on all checks. The quarterly meeting minutes do not indicate disbursements were approved prior to payment, and the Board indicated it did not know all disbursements had to be officially approved before making the disbursements.

Section 65.490, RSMo, specifies, "the township trustee and ex officio treasurer shall not pay out any moneys belonging to the township for any purpose whatever, except upon the order of the township board of directors, signed by the chairman of said board and attested by the township clerk. . ." To reduce the risk of loss, theft, or misuse of funds, and ensure all transactions are accounted for properly and assets are adequately safeguarded, adequate controls, including Board review and approval of disbursements, are necessary.

##### **2.2 Bank reconciliations**

Neither the Board nor the Township Clerk performs monthly bank reconciliations. Instead, when the Township Clerk receives the bank statements, she compares the cleared checks to the check register, but does not reconcile the ending balance. During our scan of the check register, we



Dover Township - Vernon County  
Management Advisory Report - State Auditor's Findings

noted the \$56,262.23 balance as of December 31, 2021, was \$24.55 lower than the \$56,286.78 balance brought forward on January 1, 2022. The Township Clerk indicated she was aware of this difference when she took over the accounting records and believed it was likely an error in the check register. She could not determine when it occurred, so she adjusted the check register balance to agree to the ending bank statement balance on January 1, 2022. She indicated she did not know it was necessary to perform monthly bank reconciliations.

Performing adequate monthly bank reconciliations increases the likelihood errors will be identified and corrected timely.

## Recommendations

The Board of Directors:

- 2.1 Develop procedures to ensure all disbursements are reviewed and approved by the Board and the approval is documented.
- 2.2 Prepare monthly bank reconciliations. Any differences should be promptly investigated and resolved.

## Auditee's Response

- 2.1 *The Board is scheduling monthly meetings to pay invoices after being approved by the Board. The approvals will be documented in the meeting minutes.*
- 2.2 *The Township Clerk has completed all of 2023 bank reconciliations up to December, and will continue to reconcile statements in the future. Any differences will be promptly investigated and resolved.*

## 3. Sunshine Law

The township's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. The Board generally met quarterly during the year ended December 31, 2022.

Minutes of the Board meetings do not always contain sufficient detail of actions taken and are not signed by the Board members to indicate their approval. The meeting minutes for the 5 meetings held from March 11, 2022, through May 11, 2023, did not indicate review and approval of previous meeting minutes. In addition, the minutes did not indicate any votes taken for decisions made at 2 meetings, the time and attendees for 1 meeting, and the location for 3 meetings. The Township Clerk and Board members indicated they did not know that meeting minutes needed to contain full details, be approved, and signed.

Section 610.020.7, RSMo, requires minutes of meetings to be maintained as a record of business conducted and to provide an official record of actions and decisions, including the date, time, place, members present, members absent, and a record of any votes taken. The minutes should provide sufficient



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Management Advisory Report - State Auditor's Findings

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details of discussions to demonstrate compliance with statutory provisions and support important decisions made. The minutes need to be signed by the Township Clerk and subsequently approved by the Board members to provide an independent attestation that the minutes are correct records of the matters discussed and actions taken during the meetings.

## Recommendation

The Board of Directors ensure meeting minutes include all necessary information and are signed by the Township Clerk and Board members.

## Auditee's Response

*The Township Clerk has provided more detailed information within meeting minutes to include all outstanding/paid invoices and any votes made. All meeting minutes taken since May have been signed by all members (Clerk, Trustee, and Board member). These new procedures will continue for future meetings.*

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## 4. Road Maintenance Plan

The Board has not developed a formal annual maintenance plan for township roads. Formal, approved, road maintenance plans, prepared along with the budget and with citizen input serve as a useful management tool and provide greater input into the overall budgeting process. Such plans should include a description of the roads needing maintenance, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information.

A plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of roads throughout the year. The Board had informal plans for road maintenance, but was not aware of the importance of developing, updating, and monitoring a formal road maintenance plan.

## Recommendation

The Board of Directors establish a formal annual road maintenance plan.

## Auditee's Response

*The Board created a road maintenance plan that will be reviewed annually. The Board is working on creating a 5-year maintenance plan.*



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# Dover Township - Vernon County

## Organization and Statistical Information

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Dover Township is one of 20 townships in Vernon County and is located in the southeast region of that county. Vernon County elected a township organization in 1872. According to the Census Reporter, the township covers approximately 48 square miles and has a population of 382.

There are 4 elected officials in Dover Township, including 3 members of the Board of Directors, and 1 township clerk. The township's elected Board of Directors consists of the township trustee (who serves as a board member/ex-officio treasurer) and 2 additional board members. One of these 2 board members is elected as president. All officers are elected biennially and take office in April following the election. In addition to the elected officials, the township had 1 part-time employee to perform road maintenance as of December 31, 2022.

### Elected Officials

Name and Title	Compensation for the Year Ended December 31, 2022
Taylor Greer, President (1)	\$ 100
Austin Greer, Trustee (2)	1,094
Vacant, Board Member (3)	
Cassie Hogan, Township Clerk (4)	1,000

- (1) Compensation consists of \$25 per meeting.
- (2) Compensation consists of \$25 per meeting, and \$994 in fees for receiving and disbursing all money.
- (3) This position was vacant during 2022, and remains vacant.
- (4) Compensation consists of \$25 per meeting, and \$900 for clerical duties (\$75 per month).

### Financial Activity

A summary of the township's financial activity prepared using the township's bank statements and financial records for the year ended December 31, 2022, follows.



Dover Township - Vernon County  
Organization and Statistical Information

Dover Township - Vernon County  
Schedule of Receipts, Disbursements, and Changes in Cash  
Year Ended December 31, 2022

RECEIPTS

Property taxes	\$	49,180
County Aid Road Trust (CART)		5,265
Interest income		89
Donations		800
Total Receipts	\$	<u>55,334</u>

DISBURSEMENTS

Salaries	\$	6,012
Payroll taxes		632
Gravel and hauling		15,721
Grader lease		14,482
Grader maintenance		2,719
Culverts		5,665
Insurance		4,324
Fuel		5,043
Miscellaneous		568
Total Disbursements	\$	<u>55,166</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS \$ 168

CASH, JANUARY 1, 2022 \$ 56,287  
CASH, DECEMBER 31, 2022 \$ 56,455