



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

November 7, 2023

Auditor of State Rob Sand today released an agreed-upon procedures report on the City of Montour, Iowa, for the period July 1, 2018 through June 30, 2019. The agreed-upon procedures engagement was performed pursuant to Chapter 11.6 of the Code of Iowa.

Sand reported twenty-two findings related to the receipt and disbursement of taxpayer funds. They are found on pages 9 through 16 of this report. The findings address issues such as a lack of segregation of duties, the lack of bank and utility reconciliations, lack of use of the uniform chart of accounts, disbursements exceeding budgeted amounts and separately maintained accounts. In addition, we identified three duplicate payroll checks issued to the City Clerk, totaling \$4,196.31, which are considered improper disbursements. Two of the duplicate checks were repaid to the City, but one check totaling \$1,468.18 was not repaid. Sand provided the City with recommendations to address each of the findings.

The City Council has a fiduciary responsibility to provide oversight of the City's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the agreed-upon procedures report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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CITY OF MONTOUR
AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
JULY 1, 2018 THROUGH JUNE 30, 2019

City of Montour



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Rob Sand
Auditor of State

October 26, 2023

Officials of the City of Montour
Montour, Iowa

Dear Honorable Mayor and Members of the City Council:

I am pleased to submit to you the agreed-upon procedures report for the City of Montour, Iowa, for the period July 1, 2018 through June 30, 2019. The agreed-upon procedures engagement was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the City of Montour throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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City of Montour

Officials

<u>Name</u>	<u>Title</u>	<u>Term Began</u>	<u>Term Expires</u>
Luther Heller	Mayor	Jan 2016	Jan 2020
Charles Bidwell	Council Member	Jan 2016	Jan 2020
Susan Eberhart	Council Member	Jan 2016	Jan 2020
Adam Damman	Council Member	Jan 2018	Jan 2022
Vicky Garske	Council Member	Jan 2018	Jan 2022
Dave Heckman	Council Member	Jan 2018	Jan 2022
Patricia Dolezal (Resigned Oct 2018)	City Clerk/Treasurer		Indefinite
Lori Beck (Hired Dec 2018)	City Clerk/Treasurer		Indefinite
Mike Marquess (Resigned Dec 2018)	Attorney		Indefinite
Dan Rathjen (Hired Dec 2018)	Attorney		Indefinite

City of Montour



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Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and Members of the City Council:

We performed the procedures below, which were established at Iowa Code Chapter 11.6, to provide oversight of Iowa cities. Accordingly, we have applied certain procedures to selected accounting records and related information of the City of Montour for the period July 1, 2018 through June 30, 2019, including procedures related to the City's compliance with certain Code of Iowa requirements identified below. The City of Montour's management, which agreed to the performance of the procedures performed, is responsible for compliance with these requirements and for the City's records.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. The City of Montour's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, in accordance with Chapter 11.6 of the Code of Iowa, recommendations pertaining to selected accounting records and related information of the City including the City's compliance with certain Code of Iowa requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We observed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6) and 380 of the Code of Iowa.
2. We obtained an understanding of the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. We observed surety bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. We obtained and observed the City Clerk's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances and monthly financial reports provided to the City Council for fiscal years ended June 30, 2019 through June 30, 2021.
5. We scanned City funds for consistency with the City Finance Committee's recommended Uniform Chart of Accounts (COA) and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. We observed the City's fiscal year 2019 Annual Financial Report to determine whether it was completed and accurately reflects the City's financial information.
7. We scanned investments to determine compliance with Chapter 12B of the Code of Iowa.
8. We scanned depository resolutions, the City's investment policy and reporting of unclaimed property to the State of Iowa to determine compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa.

9. We scanned debt, including general obligation and revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. The City had no TIF.
11. We traced selected receipts to accurate accounting and consistency with the recommended COA.
12. The City had no voter approved levies.
13. We traced selected disbursements to proper approval, adequate supporting documentation, accurate accounting and consistency with the recommended COA and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa for fiscal years ended June 30, 2019 through June 30, 2021.
14. We traced transfers between funds to proper authorization and accurate accounting and to determine whether transfers were proper.
15. We traced selected payroll and related transactions to proper authorization and accurate accounting and determined whether payroll was proper for fiscal years ended June 30, 2019 through June 30, 2021.
16. We observed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, we identified various findings and recommendations for the City. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were engaged by the City of Montour's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on specific accounting records and related information of the City, including compliance with specific Code of Iowa requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Montour and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to report, in accordance with Chapter 11.6 of the Code of Iowa, certain agreed-upon procedures and the resulting findings and recommendations pertaining to selected accounting records and related information of the City, including the City's compliance with certain Code of Iowa requirements. This report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Montour during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Brian R. Brustkern, CPA
Director

October 26, 2023

Detailed Findings and Recommendations

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

(A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City's financial statements. Generally, one individual has control over each of the following areas for the City:

- (1) Cash – handling, reconciling and recording.
- (2) Investments – investing, recordkeeping and custody.
- (3) Long-term debt – maintaining records, recording and reconciling.
- (4) Receipts – opening mail, collecting, depositing, recording, reconciling and posting.
- (5) Disbursements – purchasing, invoice processing, check writing, mailing, reconciling and recording.
- (6) Payroll – recordkeeping, preparing and distributing.
- (7) Utilities – entering rates in the system, billing, collecting, depositing and posting.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials. Independent reviews of reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

(B) Deposits and Investments – The City has not adopted a written investment policy as required by Chapter 12B.10B of the Code of Iowa. In addition, a resolution naming official depositories has not been adopted by the City Council as required by Chapter 12C.2 of the Code of Iowa.

Recommendation – The City should adopt a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa. The City Council, by resolution, should approve amounts sufficient to cover anticipated balances at all approved depositories as required by Chapter 12C.2 of the Code of Iowa.

(C) Bank Reconciliations – Although monthly bank reconciliations were prepared for each account, a complete reconciliation summarizing all accounts and reconciling to the City's total fund balance was not prepared. In addition, for one account, the book balance on the bank reconciliation did not agree with the balance in the general ledger. Also, there is no evidence of review of the reconciliations.

Recommendation – The City should establish procedures to ensure a complete bank reconciliation is prepared monthly and accurately. In addition, an independent person should review the reconciliations and document the review by signing or initialing and dating the monthly reconciliations.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

- (D) Reconciliation of Utility Billings, Collections and Delinquent Accounts – Utility billings, collections and delinquent accounts were not reconciled throughout the year. In addition, utility billing invoices do not foot.

Recommendation – Procedures should be established to reconcile utility billings, collections and delinquent accounts for each billing period. The City Council or other independent person designated by the City Council should review the reconciliations and monitor delinquent accounts. The review should be documented by the signature or initials of the reviewer and the date of the review. In addition, the City should ensure utility billing invoices foot.

- (E) City Council Meeting Minutes – Chapter 372.13(6) of the Code of Iowa requires minutes of all City Council proceedings be published within fifteen days of the meeting. Minutes for all meeting observed were not published within fifteen days.

Recommendation – The City should comply with the Code of Iowa and publish City Council minutes within fifteen days of the meeting, as required.

- (F) Annual Financial Report – Chapter 384.22 of the Code of Iowa requires the City’s Annual Financial Report (AFR) contain a “summary for the preceding fiscal year of all collections and receipts, all accounts due the City, and all expenditures...” The City’s AFR reported receipts, disbursements and ending fund balances which did not agree with City records. The fiscal year 2019 AFR beginning balance for all funds of \$966,307 does not agree to the prior year ending balance of \$967,250 reported in the fiscal year 2018 AFR, a variance of \$943. In addition, the ending General Fund balance, total receipts and total disbursements did not agree to the City’s records.

Recommendation – The City should ensure the AFR beginning balances agree with the prior year AFR ending balances. The City should also ensure receipts, disbursements and ending fund balances reported on the AFR agree with the City’s financial records.

- (G) Certified Budget – Disbursements during the year ended June 30, 2019 exceeded the amounts budgeted in the culture and recreation, general government, debt service and business type activities functions. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

- (H) Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the City to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The City does not receive an image of the back of each cancelled check.

Recommendation – The City should obtain and retain images of both the front and back of cancelled checks for all bank accounts as required by Chapter 554D.114 of the Code of Iowa.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

- (I) Interfund Transfers – Section 545-2 of the City Finance Committee Rules requires “A fund transfer resolution must be completed for all transfers between funds and must include a clear statement of reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is to be received, and the dollar amount to be transferred.”

The resolutions approving the City’s fund transfers did not include the purpose of each transfer.

Recommendation – The resolutions approving all fund transfers should include the information required by Section 545-2 of the City Finance Committee rules.

- (J) Restrictive Endorsement – Checks are not restrictively endorsed upon receipt.

Recommendation – To safeguard collections, checks should be restrictively endorsed immediately upon receipt.

- (K) Journal Entries – Supporting documentation is not maintained for journal entries and journal entries are not approved.

Recommendation – Supporting documentation should be maintained for all journal entries. In addition, journal entries should be reviewed and approved by an independent person. This review should be documented by the signature or initials of the reviewer and the date of the review.

- (L) Monthly City Clerk’s Report – The monthly City Clerk’s reports presented to the City Council for approval do not include a summary of receipts, disbursements, transfers and balances by fund or a comparison of actual disbursements to budgeted disbursements by function.

Recommendation – The City should establish procedures to ensure the monthly City Clerk’s reports include a summary of receipts, disbursements, transfers and balances by fund. A comparison of actual disbursements to the certified budget by function should also be included in the monthly City Clerk’s reports provided to the City Council.

- (M) Receipts – During the period reviewed, one state warrant totaling \$429 was not posted to the general ledger. In addition, eleven state warrants were not deposited in a timely manner.

Recommendation – The City should establish procedures to ensure all receipts are recorded accurately in the City’s general ledger and all receipts are deposited timely.

- (N) Uniform Chart of Accounts – The City has not implemented the recommended Uniform Chart of Accounts (COA) for Iowa City Governments approved by the City Finance Committee.

Recommendation – To provide better financial information and control, the recommended COA, or its equivalent, should be followed.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

- (O) Credit Card – The City has a credit card for use by employees while on City business. The City has not adopted a formal policy to regulate the use of the credit card and to establish procedures for the proper accounting of credit card charges.

Recommendation – The City should adopt a formal written policy regulating the use of the City’s credit card. The policy, at a minimum, should address who controls the credit card, who is authorized to use the credit card and for what purposes, as well as the types of supporting documentation required to substantiate charges.

- (P) Disbursements – One of thirty-two disbursements observed was not supported by an invoice or other supporting documentation. In addition, one transaction observed included late fees totaling \$21.

Recommendation – All disbursements should be supported by invoices or other supporting documentation. The City should establish procedures to ensure all payments are made timely to avoid late fees.

- (Q) Payroll – The following items were noted in observing payroll transactions for City employees:

- Timesheets were not prepared by City employees to support hours worked.
- Duplicate payroll checks of \$1,521.88, \$1,206.25 and \$1,468.18 were issued to the City Clerk for hours worked in April, May and June 2019, respectively. These duplicate payroll checks are considered improper disbursements.

In July 2019, \$2,728.13 was repaid to the City for the duplicate checks issued for April and May hours. However, the additional pay of \$1,468.18 received for June hours was not repaid.

Recommendation – The City should work with legal counsel to seek reimbursement of the \$1,468.18.

Timesheets should be prepared and retained to support time worked by all employees. Timesheets should be reviewed and approved by supervisory personnel prior to processing payroll.

- (R) Questionable Disbursements – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain disbursements were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented.

On June 3, 2019, the City Council approved the temporary hiring of the City Clerk as the Co-Sexton of the Cemetery at a rate of \$30 per month. The City Council also approved the City Clerk to work 16 hours a week at a rate of \$15.50 to research companies to purchase a new cemetery program from and provide a progress report in two weeks. After the new program was purchased, the City Clerk was approved to work additional hours to help implement the new program. The number of hours to work or hourly rate were not established for these additional hours.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

From July 2019 to July 2020, the City Clerk received \$9,400.75 in wages for additional work related to the purchase and implementation of the new cemetery program. At an hourly rate of \$15.50, this resulted in an additional 50.5 hours per month, or about 12 hours a week. As noted in finding (Q), timesheets were not prepared by City employees to support hours worked so the number of hours worked each month were unsupported.

Recommendation – The Council should determine and document the public purpose served by these disbursements before authorizing any further payments. If this practice is continued, the City should establish written policies and procedures, including the requirements for proper documentation.

- (S) Investments – The City was gifted an investment portfolio which includes investments in stock, which do not appear to be an investment permitted by Article VIII of the Constitution of the State of Iowa and Chapter 12B.10 of the Code of Iowa. In addition, the investments are not reported in the City's records.

Recommendation – The City should ensure all investments comply with Chapter 12B of the Code of Iowa and consult legal counsel to determine the disposition of this matter. In addition, all investment balances should be reported in the City's records.

- (T) Montour Community Center – The Montour Area Community Club (Club), a nonprofit organized under Chapter 504, is a legally separate entity. According to the Club's Articles of Incorporation, the purpose of the corporation is to “promote the welfare and safety of the Montour Area Community by providing and maintaining a community center building used for public and private functions by the promotion of the use of the building and procurement of funds to defray costs related to maintenance of that building.”

The City owns the Community Center and pays for utilities and all major repairs. The Club rents out the building for events such as funerals, receptions, birthday parties and vendor shows. In addition, while the City owns the building, the City also pays \$300 a year to the Club to rent City Hall, which is located in the Community Center building. The City should not pay rent on a building owned by the City. Rent revenues received for the Community Center are not remitted to the City. Rent revenue of \$5,715 received from January 2018 through December 2020 was not remitted to the City. Of this amount, \$900 was rent paid by the City.

The Treasurer of the Club is responsible for the day-to-day operations of the Community Center, which includes maintaining financial records and establishing rental rates for the Community Center. A contract between the City and the Treasurer does not exist. Also, the City should establish rental rates, not the Club. In addition, the Club pays the Treasurer for mowing services, but these payments are not reviewed and approved by an independent person. Also, one individual performs all financial duties for the Club.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

The Constitution of the State of Iowa prohibits governmental bodies from making a gift to a private nonprofit corporation. Article III, Section 31 states, in part, "...no public money or property shall be appropriated for local, or private purposes, unless such appropriation, compensation, or claim, be allowed by two thirds of the members elected to each branch of the General Assembly." Chapter 15A of the Code of Iowa states, "Economic development is a public purpose for which the state, a city, or a county may provide grants, loans, guarantees, tax incentives, and other financial assistance to or for the benefit of private persons." Chapter 15A also defines economic development as "...private or joint public and private investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost." Further, the City must document the public purpose served before dispensing or using the funds.

In October 2023, the City Council voted to sell the Community Center building and property to the Club, a nonprofit organization, for \$5. Per Chapter 364.7 (3) of the Code of Iowa, a City may not dispose of real property by gift except to a governmental body for a public purpose.

Recommendation – The City should consult legal counsel to determine the legality of the sale of the Community Center building and property to the Club for \$5. The City should not pay rent for City owned property and rental revenue received should be remitted to the City. In addition, a contract should be reduced to writing to document the responsibilities of the City and the Club running the Community Center. Also, payments for mowing services should be reviewed and approved by an independent person. The City should work with the Club to help segregate duties over the Club's financial activities. Also, the City should ensure any future dispositions of real property are in compliance with the Constitution of the State of Iowa and the Code of Iowa.

- (U) Montour Volunteer Firefighters' Association – Chapter 364.16 of the Code of Iowa requires the City to provide for the protection of life and property against fire. This section also states in part, "A city has the same governmental immunity outside its corporate limits when providing fire protection as when operating within the corporate limits."

Chapter 359.42 of the Code of Iowa requires townships to provide fire protection for the township and Chapter 359.43 allows the township trustees to levy an annual tax for the purpose of exercising its fire protection duties. Chapter 359.42 allows the township trustees to "contract with a public or private agency under Chapter 28E of the Code of Iowa for the purpose of providing any service or system required or authorized under this section."

Chapter 28E.4 of the Code of Iowa states, "Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or cooperative action pursuant to the provisions of this chapter, including the creation of a separate entity to carry out the purpose of the agreement. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies involved shall be necessary before any such agreement may enter into force."

Chapter 384.20 of the Code of Iowa states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose."

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

The Constitution of the State of Iowa prohibits governmental bodies from making a gift to private nonprofit corporations. Article III, Section 31 of the Constitution of the State of Iowa states "... no public money or property shall be appropriated for local or private purposes, unless such appropriation, compensation or claim be allowed by two-thirds of the members elected to each branch of the General Assembly."

The Montour Volunteer Firefighters' Association (Association), a nonprofit organized under Iowa Code Chapter 504, is a legally separate entity. In accordance with the Association's Articles of Incorporation, the purpose and objectives of the corporation are to assist the Montour Volunteer Fire Department in the execution and performance of its responsibilities to the citizens of the City and the Montour Fire District.

A separate checking account is held by the Association. However, the entity name on checks issued from this account states "Montour Vol. Fire Fighters Assoc., Montour Volunteer Fire Dept." Since both the names for the Association and the Fire Department are listed on the checks, it's unclear if the account belongs to the Fire Department and should be part of the City's records or if it belongs to the Association and maintained separate from City records.

During the fiscal year ended June 30, 2019, \$28,000 of township tax revenues were deposited into this separate account. In addition, during the fiscal years ended June 30, 2018, 2020 and 2021, \$60,000 of township tax revenues were deposited into the separate account. As stated above, it's unclear if these revenues were deposited into a City account or the Association's account.

Recommendation – The City should consult legal counsel to resolve the disposition of this matter.

If the account belongs to the Fire Department, then in accordance with Chapter 384.20 of the Code of Iowa and the Iowa Constitution, as well as for better accountability, financial and budgetary control and oversight over the public funds, the financial activity and balances of the Montour Volunteer Firefighters' funds, including funds provided by the Townships for fire protection, should be included in the City's accounting records, monthly financial reports and the Annual Financial Reports. Alternatively, an entirely separate 28E governmental subdivision can be created between the City and townships. The activity of all the Fire Department's funds should be subject to City Council review and approval and should be included in the City's budget process. Also, a summary of each account's receipts, total disbursements and listings of claims allowed each month should be published, as required. Proper accounting of these funds in this manner negates the necessity of the need for a 28E agreement as discussed in Chapters 28E.4 and 359.42 of the Code of Iowa.

- (V) Separately Maintained Records – Chapter 384.20 of the Code of Iowa states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipt, use, and disposition of all city property."

The City Emergency Management Service maintains a bank account for activity separate from the City's accounting records. While this Department is part of the City, the transactions and resulting balance were not included in the City's accounting records and were not included in the City's annual budget, monthly financial reports or Annual Financial Reports.

City of Montour

Detailed Findings and Recommendations

For the period July 1, 2018 through June 30, 2019

In addition, the transactions and resulting balances of this account were not reported to the City Council and disbursements from the account were not reviewed and approved by the City Council. Also, a summary of the account's receipts, total disbursements and the listings of claims allowed each month was not published in accordance with Chapter 372.13(6) of the Code of Iowa.

Recommendation – In accordance with Chapter 384.20 of the Code of Iowa, and to strengthen internal control and increase operating efficiencies, the financial transactions of the City Emergency Management Service's separate account should be integrated with the City's accounting records in the City Clerk's office. The financial activity should be included in the City's accounting records, monthly financial reports and the Annual Financial Reports. The activity in this account should be subject to City Council review and approval and should be included in the City's budget process. Also, a summary of the account's receipts, total disbursements and listings of claims allowed each month should be published, as required.

City of Montour

Staff

This engagement was performed by:

Brian R. Brustkern, CPA, Director
Jennifer L. Wall, CPA, Manager
Luke M. Bormann, CPA, Senior Auditor II
Brandon J. Vogel, Senior Auditor II
Bianca M. Cleary, Senior Auditor
Maria R. Collins, Staff Auditor