



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

Dade County

Report No. 2018-131
December 2018

auditor.mo.gov

Dade County

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE GALLOWAY, CPA Missouri State Auditor

County Commission
and
Officeholders of Dade County

We have conducted follow-up work on certain audit report findings contained in Report No. 2018-027, *Dade County* (rated as Poor), issued in May 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - **Implemented:** Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - **In Progress:** Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - **Partially Implemented:** Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - **Not Implemented:** Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements, reconciliations, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during November 2018.

A handwritten signature in cursive script that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

Dade County

Follow-Up Report on Audit Findings

Status of Findings

1. Sheriff's Inmate Monies and Commissary Controls and Procedures Inmate receipts totaling \$795.99 were received but not deposited into any of the 3 Sheriff's office bank accounts.

1.1 Missing monies Inmate monies totaling \$795.99 from 32 receipt slips were received and not deposited into the inmate bank account, and as a result, these monies are missing.

- Inmate receipts totaling \$45, recorded on 4 manual receipt slips were not deposited.
- Inmate receipts totaling \$750.99, recorded on 28 electronic receipt slips in the computerized accounting system were not deposited.

Recommendation The Sheriff investigate the missing inmate receipts. The Sheriff should also work with law enforcement officials regarding criminal prosecution.

Status **Partially Implemented**

The Sheriff investigated the missing receipts and resolved some of them by reviewing additional accounting records that showed \$267.28 of these receipts were either deposited, issued duplicate (manual and electronic) receipt slips for the same monies, or returned to the inmate or payee. However, inmate monies totaling \$528.71 from 12 receipt slips still remain missing as follows:

Type of Receipt Slip	Date Received	Receipt Slip Number	Amount Received and Not Deposited
Computerized	03/21/2016	125	\$ 10.00
Computerized	03/28/2016	132	10.00
Computerized	05/06/2016	144	0.80
Computerized	05/06/2016	146	2.00*
Computerized	05/28/2016	161	1.75
Computerized	10/18/2016	2275	2.50
Computerized	11/11/2016	2289	31.00
Computerized	03/17/2017	2380	10.14
Computerized	04/04/2017	2398	7.00
Computerized	04/10/2017	2407	441.00
Computerized	05/10/2017	2446	10.00
Computerized	06/28/2017	2496	2.52
Total			\$ 528.71

* Receipt slip number 146 was issued for \$2.72. The Sheriff provided documentation to account for the disposition of 72 cents, leaving \$2.00 not deposited.



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Status of Findings

The Sheriff indicated he is working with law enforcement officials.

1.2 Segregation of duties
and supervisory reviews

The Sheriff had not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records.

Recommendation

The Sheriff segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

Status

In Progress

The Administrative Assistant no longer receipts, records, or deposits inmate monies; and does not prepare checks. However, the Sheriff now makes the deposit, prepares and signs the checks, and reconciles the bank account, thus accounting duties are still not properly segregated. The Sheriff indicated he hired a part-time employee and plans for her to assist him with reconciliations in the future.

1.3 Receipting, recording,
and depositing

Procedures for receipting, recording, and depositing inmate monies needed improvement.

- Manual receipt slips for inmate monies were not always issued in numerical sequence.
- Some cash refunded to inmates was not recorded in the computerized accounting system, resulting in the overstatement of inmates' balances. In addition, the Sheriff made duplicate payments by refunding monies by check to inmates who had already received their refunds in cash.
- The Sheriff's office did not document the transmittal of monies from the jailers to the Administrative Assistant, and the Administrative Assistant did not reconcile the composition of the receipt slips issued to the monies transmitted and deposited.
- Inmate monies were not deposited intact or timely.
- Checks received were not restrictively endorsed at the time of receipt and were only endorsed when deposits were prepared.

Recommendation

The Sheriff establish procedures to issue manual receipt slips in numerical sequence, only issue refunds to inmates by check, document the transmittal of inmate monies between office personnel and reconcile the composition of receipts to the composition of amounts transmitted, deposit monies intact and timely, and restrictively endorse checks at the time of receipt.



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Status of Findings

Status

Partially Implemented

The Sheriff discontinued issuing manual receipt slips for inmate monies in May 2018. No cash refunds were made during the month we reviewed (August 2018) and the Sheriff indicated all refunds are now made by check and are recorded in the computerized accounting system. The transmittal of monies between the jail and the Administrative Assistant is documented, and the Sheriff reconciles the composition of the receipt slips issued to the composition of monies transmitted and deposited. We noted inmate monies received during August 2018 were deposited intact. However, the Sheriff did not deposit these monies timely. Thirty-two receipt slips issued during August, totaling \$373, were not deposited until October 29, 2018, after our request for copies of receipt and deposit records was made on October 22, 2018. In addition, the Sheriff indicated he restrictively endorses inmate checks at the time of receipt.

1.4 Bank reconciliations
and liabilities

The Sheriff did not prepare timely monthly bank reconciliations and did not prepare a list of liabilities. In addition, accurate accounting records were not maintained, and errors were not corrected timely. As a result, reports generated from the computerized accounting systems used to track both inmate monies and commissary sales and receipts, deposits, and disbursements could not be relied upon by the Sheriff to reconcile the inmate bank account.

Recommendation

The Sheriff ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.

Status

Not Implemented

The Sheriff did not prepare the August 2018 bank reconciliation until October 27, 2018, after our request for a copy of the bank reconciliation was made on October 22, 2018. In addition, the Sheriff did not prepare lists of liabilities, investigate and resolve differences between the accounting records and reconciliations, or disburse unidentified monies in accordance with state law.

1.5 Inmate Prisoner
Detainee Security Fund

The Sheriff did not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law.

Recommendation

The Sheriff ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Collector-Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.



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Follow-Up Report on Audit Findings
Status of Findings

Status	Partially Implemented
	In May and June 2018, the Sheriff disbursed commissary net proceeds and drug testing fees totaling \$9,147 to the County Collector-Treasurer for deposit in the Inmate Prisoner Detainee Security Fund. However, as of November 28, 2018, the Sheriff had not disbursed any commissary net proceeds collected since June 2, 2018.
1.6 Drug testing fees	The Sheriff's office collected a \$10 drug testing fee that was not allowed by state law.
Recommendation	The Sheriff discontinue charging and collecting drug testing fees.
Status	Not Implemented
	The Sheriff indicated his office no longer administers drug tests to the general public and only administers a drug test when ordered by the court. However, the Sheriff still collects a \$10 drug testing fee although the court order does not authorize a drug testing fee to be charged and collected.
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2. Sheriff's Controls and Procedures	Controls and procedures over civil and criminal process fees, bonds, and other miscellaneous fees in the Sheriff's office needed improvement.
2.1 Segregation of duties and supervisory reviews	The Sheriff had not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records.
Recommendation	The Sheriff segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
Status	Not Implemented
	The Sheriff did not segregate accounting duties or perform an adequate and timely review of detailed accounting and bank records. The Administrative Assistant continues to be responsible for receipting, recording, and depositing monies. As noted in section 2.4, the Sheriff still does not perform timely supervisory reviews of detailed accounting and bank records. In addition, the Sheriff provided no documentation to indicate a review of the monies received, recorded, deposited, and disbursed is being performed.
2.2 Depositing and recording	Bond monies and civil and criminal process fees were not deposited intact or timely and were not timely recorded in the computerized accounting system.
Recommendation	The Sheriff ensure monies received are deposited intact and are recorded and deposited timely.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The Sheriff recorded and deposited bond monies timely during August 2018. However, civil and criminal process fees totaling \$699 collected in August 2018, were not deposited timely or intact. These fees were not deposited until October 26 through October 30, 2018, after our request for copies of receipt and deposit records was made on October 22, 2018. These deposits included fees received dating back to May 2018. In addition, some civil and criminal process fees received in November 2018 were recorded in the computerized accounting system at the time of receipt; however, some manual receipt slips dating back to November 2, 2018, still had not been recorded as of December 5, 2018.

2.3 Disbursements

The Sheriff did not disburse some civil and criminal process fees and bond monies timely.

Recommendation

The Sheriff ensure receipts are disbursed timely.

Status

Partially Implemented

The Sheriff disbursed bond monies received in August 2018 timely. However, the Sheriff did not disburse any civil or criminal process fees collected from June 19, 2018, through November 12, 2018, until November 13, 2018, when he disbursed \$5,517 to the County Collector-Treasurer.

2.4 Bank reconciliations
and liabilities

The Sheriff did not prepare accurate timely monthly bank reconciliations and did not prepare lists of liabilities.

Recommendation

The Sheriff ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.

Status

Not Implemented

The Sheriff did not prepare the August 2018 fee and bond bank account reconciliations until November 6, 2018, after our request for copies of the bank reconciliations was made on October 22, 2018. In addition, the Sheriff did not prepare lists of liabilities, investigate and resolve differences between the account records and reconciliations, or disburse unidentified monies in accordance with state law.

2.5 Seized property

Access was not adequately restricted to seized cash. Seized cash was stored in a lock box with other receipts collected in the Sheriff's office, and as a result, the Administrative Assistant had access to the seized cash.



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Recommendation

The Sheriff restrict access to all seized cash.

Status

Implemented

The Sheriff indicated seized cash is now being stored in the seized property and evidence room and access to this room is restricted to the evidence officer and the Sheriff.