



Susan Montee, CPA
Missouri State Auditor

Benton County

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Office of
Missouri State Auditor
Susan Montee, CPA

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The following findings were included in our audit report on Benton County.

There are numerous control weaknesses in the Sheriff's accounting controls and procedures including inadequate segregation of duties, untimely preparation of bank reconciliations, lack of monthly liabilities listings, and inaccurate and incomplete receipting, posting, depositing, and distribution procedures. In addition, procedures have not been established to follow-up on old outstanding checks and bonds, and monitoring procedures for accrued civil fees are not adequate. Finally, an old bank account maintained by the prior Sheriff has not had any activity since 2001.

The listing of open bonds maintained by the Sheriff's office was inaccurate and incomplete. After discussions with the bookkeeper regarding various liabilities, an updated open item listing was prepared as of February 29, 2008. A comparison of the listing to the reconciled cash balance revealed that liabilities exceeded the cash balance by at least \$2,797. However, the bookkeeper is continuing to investigate open bonds and this amount could fluctuate. In addition, cash of \$500 received in December 2007 was not on hand and could not be traced to a deposit. This may have contributed to the previously noted shortage.

Numerous weaknesses were also noted in the County Collector's accounting controls and procedures. The County Collector did not prepare bank reconciliations for two on-line bank accounts and did not prepare monthly listings of liabilities for any accounts. Upon our request, the County Collector prepared a listing of liabilities. She was able to reconcile liabilities to the cash balance of her main general property tax account; however, a total of approximately \$6,700 was unidentified for various other accounts. In addition, an old general property tax bank account had a bank balance of approximately \$76,000 as of February 29, 2008, most of which was carried over from the prior County Collector. Much of the balance appears to be mailing commissions and accumulated interest income that had not been distributed by the prior County Collector.

The County Collector does not have current written agreements with the cities for which she performs property tax collection services or depository agreements for all banks in which funds are deposited. In addition, she maintains an excessive number of bank accounts. The County Clerk's account book with the County Collector's is not complete. The current County Collector's term of office began effective March 1, 2007. Many of these conditions were similarly noted in our prior audit report pertaining to the prior County Collector.

(over)

YELLOW SHEET

The general revenue property tax levy was not sufficiently reduced, resulting in excess property tax collections of approximately \$70,800 at December 31, 2007. The excess has accumulated over several years.

The 2007 and 2006 Special Road and Bridge Fund budgets did not adequately project the anticipated financial condition of the fund. In addition, a formal maintenance plan has not been prepared to document expected work on the county's roads and bridges.

Written minutes are not prepared for County Commission closed meetings. In addition, the County Commission has not developed a written policy for the use of cellular telephones or a formal plan for a vacant county owned building.

Bids were not always solicited nor documentation retained of bids solicited for purchases made by various county officials. In addition, the county loaned \$10,000 to a private organization for the purpose of providing start up costs to establish a Veterans Memorial Walkway on the courthouse grounds. The Missouri Constitution prohibits the loaning of public funds to private corporations. Also, supporting documentation was not sufficient for some disbursements.

The County Commission does not have a written policy regarding the use of county owned vehicles. In addition, the Sheriff Department's fuel billing statements are not adequately reconciled to vehicle expense logs and fuel receipts are not required to be submitted for fuel purchases. Also, vehicle mileage logs are not maintained for the two E-911 vehicles.

The County Treasurer does not prepare monthly bank reconciliations for the primary bank account. In addition, the County Treasurer did not prepare the June 30, 2007, semi-annual settlement and the 2007 annual settlement was not accurate. Also, the County Treasurer currently maintains three bank accounts representing General Revenue Fund monies that have had little or no activity since 2002 except interest earnings.

Also included in the report are recommendations related to the Prosecuting Attorney's accrued cost procedures, and the County Clerk's, Assessor's, and E-911 controls and procedures.

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BENTON COUNTY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Benton County

We have audited certain operations of Benton County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, have been engaged to audit the financial statements of Benton County for the two years ended December 31, 2007. The scope of our audit included, but was not necessarily limited to, the two years ended December 31, 2007. The objectives of our audit were to:

1. Determine if the county has adequate internal controls over significant management and financial functions.
2. Determine if the county has complied with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.
4. Determine the extent to which recommendations included in our prior audit report were implemented.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We 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 contract 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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 that the evidence obtained provides such a basis.

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

The accompanying Management Advisory Report presents our findings arising from our audit of Benton County.



Susan Montee, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Peggy Schler, CPA
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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

BENTON COUNTY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Sheriff's Accounting Controls and Procedures
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As of February 29, 2008, open items (liabilities) exceeded the Sheriff's cash balance by at least \$2,797. The shortage was allowed to occur as a result of numerous control weaknesses, including inadequate segregation of duties, untimely preparation of bank reconciliations, lack of monthly liabilities listings, and inaccurate and incomplete receipting, posting, depositing, and distribution procedures. In addition, procedures have not been established to follow-up on old outstanding checks and bonds, and monitoring procedures for accrued civil fees are not adequate. Finally, an old bank account maintained by the prior Sheriff has not had any activity since 2001.

- A. Accounting duties are not adequately segregated. Currently, the bookkeeper is primarily responsible for receiving (except bond monies as noted in part D), recording, and depositing all monies and for preparing all checks. There were no independent reviews of the work performed by this employee.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing monies from that of recording receipts and preparing disbursements. If proper segregation of duties cannot be achieved, at a minimum, procedures for adequate independent reviews should be established.

- B. Formal bank reconciliations were not prepared timely for the Sheriff's bank account. The Sheriff indicated all bank reconciliations for the audit period were performed in January 2008. The reconciliations performed reflected a \$350 unreconciled difference between bank and checkbook register amounts, with this difference first being identified on the bank reconciliation performed for December 2006.

Formal bank reconciliations are necessary to ensure accounting records agree with bank records and to detect errors in a timely manner.

- C. Monthly listings of liabilities are not prepared and reconciled to cash balances. The bookkeeper maintains a listing of Benton County bonds received that have not been paid out; however, this listing was inaccurate and incomplete. The listing did not include all open bonds and included several bonds which had previously been paid out. In addition to bonds, additional items affected the overall liabilities amount. After discussions with the bookkeeper regarding

various liabilities affecting the sheriff's bank account, an updated listing was prepared as of February 29, 2008. A comparison of the list to the reconciled cash balance revealed that liabilities exceeded the reconciled cash balance by at least \$2,797 as identified in the chart below. However, the bookkeeper is continuing to investigate open bonds and this amount could fluctuate.

Reconciled bank balance	\$	23,449
Open bonds		(7,901)
February 2008 receipts turned over to the county treasury in March		(1,661)
Benton County Circuit Court civil fees (see D.1.)		(14,460)
Other monies deposited with no receipt slips (see D.1.)		(598)
Receipt slips not recorded or inaccurately recorded (see D.2.)		(51)
Stop payment checks not reissued (see H.)		(1,965)
Unidentified excess of open items over cash		<u>(3,187)</u>
Duplicate turnover to the county treasury (see D.3.)		390
Total excess of open items over cash	\$	<u>(2,797)</u>

Monthly reconciliations of liabilities to book and reconciled cash balances are necessary to ensure sufficient cash is available for the payment of all liabilities. Any unidentified differences should be investigated and resolved. Had monthly reconciliations been performed, the shortage and errors noted above may have been identified in a timely manner.

- D. Receipt slips were not issued for some monies received and duplicate receipt slips were issued for some monies, resulting in incomplete and inaccurate fee sheets (monthly reports). In addition, receipt slips are not posted to the monthly reports in a timely manner. The monthly report is used to determine the month-end turnover to the County Treasurer. Therefore, inaccuracies on the monthly report increase the likelihood that errors, loss, or misappropriation of funds will not be identified in a timely manner and result in inaccurate turnovers to the County Treasurer. Our review of receipt slips issued and monthly reports noted the following concerns:

1. Receipt slips were not issued for civil fees totaling \$14,460 received from the Benton County Circuit Court from August 2006 to February 2008. In addition, a comparison of receipt slips issued during April and May 2006 and February and March 2007 to deposits revealed an additional five checks totaling \$598 (deposit slips dated April 27, 2006, May 2, 2006, February 1, 2007, and March 30, 2007) for which receipt slips were not issued. While these monies totaling \$15,058 were deposited, they were not posted to the monthly reports and, as a result, were not turned over to the county treasury.

2. Two receipt slips issued in 2006 totaling \$31 (receipt slips 12410 and 13909) were not recorded on the monthly reports. In addition, one receipt slip issued in April 2006 for \$40 (receipt slip 12625) was inaccurately posted to the monthly report and was understated \$20. As a result of these errors, \$51 was not turned over to the county treasury.
3. Receipt slips totaling \$70 (receipt slips 14099 and 14199) were issued in 2007 as duplicates of previously received monies. In addition, one receipt slip totaling \$320 (receipt slip 12500) was included on both the February and March 2006 monthly reports resulting in a duplicate turnover to the county treasury. These errors resulted in an excess turnover to the county treasury of \$390.
4. The bookkeeper indicated she does not post receipt slips to the monthly report until month end.

As a result of the errors noted above, a net total of at least \$14,719 is due to the Sheriff Civil Fees Fund.

- E. Receipt slips issued are not reconciled to amounts deposited or bond monies collected after hours. In addition, deposit slips do not identify all individual receipts composing deposits.
1. Receipt slips issued are not reconciled to amounts deposited. In addition, although deposit slips identify individual checks, monies paid in cash are not identified by individual receipt slip and some receipt slips which indicated cash as the mode of payment did not agree with the amount of cash deposited. We noted some cash received the last week of December 2007 (\$500 with receipt slips ranging from 15267 through 15272) that was not on hand and could not be traced to any deposits made through March 26, 2008. This may have contributed to the shortage noted above.
 2. When bond monies are collected after hours, jailers issue a receipt slip for the monies from the same receipt book used by the bookkeeper during the day. The jailer makes a copy of the receipt slip, and provides the white copy of the receipt to the individual who paid. The yellow copy of the receipt remains in the receipt book. The copy of the receipt slip and monies received are then put in an envelope in a locked box. The next morning, the bookkeeper retrieves the copies of receipt slips and monies from the locked box to include with the next deposit. However, the bookkeeper indicated she does not reconcile the copies of receipt slips to monies in the lock box or to the duplicate copies of receipt slips issued that remain in the receipt book to ensure all receipt slips and monies are accounted for properly.

Receipt slips issued should be reconciled to bank deposits. The reconciliation of receipt slips to deposits should include agreeing the composition of receipt slips (i.e., cash, checks, and money orders) to the composition of deposits. In order to aid in the reconciliation of receipt slips to deposits, the deposit slips should indicate the individual receipt slips composing deposits, both cash and check. In addition, the numerical sequence of receipt slips should be accounted for properly.

F. A review of receipt slips issued during April and May 2006 and February and March 2007 noted the following additional concerns:

1. Three receipt slips issued totaling \$50 did not identify method of payment (i.e., cash, check or money order).
2. During May 2006, some receipt slips were not issued in numerical sequential order. In addition, a block of receipt slips numbered 12801 to 13400 was never issued due to misplaced books.
3. Some voided receipt slips were not properly retained. The bookkeeper stated that when receipt slips are voided, the original copy of the receipt slip is destroyed (shredded), and the person voiding the receipt slip writes void on the carbon copy retained in the receipt book. After this control issue was brought to her attention, the bookkeeper began retaining the original voided receipt slips.

To ensure all monies received are properly accounted for, receipt slips should be issued in sequential order and the method of payment identified. In addition, voided receipt slips should be properly defaced and retained.

G. Some receipts were not deposited in a timely manner. For example, nine deposits were made during April and May 2006, with an average total deposit of \$2,926. This included a deposit on April 11, 2006, totaling \$8,793 which included cash totaling \$8,585 collected from April 6, 2006, to April 10, 2006. Eleven deposits were made during February and March 2007, with an average total deposit of \$2,245. This included a deposit made on February 20, 2007, totaling \$4,445 which included cash totaling \$4,123 collected from February 9, 2007, to February 19, 2007.

To ensure all monies are properly accounted for and to adequately safeguard cash receipts, deposits should be made intact on a timely basis.

H. The Sheriff has not established procedures to routinely follow up on old outstanding checks. At January 28, 2008, six checks totaling \$1,965 were over one year old, with four of the checks payable to other governments. These old outstanding checks create additional and unnecessary record keeping

responsibilities. The bookkeeper stopped payment on these checks after we brought this to her attention. However, as of April 7, 2008, no further follow-up action had been taken.

Procedures should be established to routinely investigate checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, the amount should be disbursed to the State's Unclaimed Property Section as required by Sections 447.500 through 447.595, RSMo.

I. Procedures have not been established to routinely investigate old bonds remaining in the Sheriff's bank account. In addition, bonds are not turned over to the Circuit Court as received, resulting in unnecessary record keeping by the Sheriff's Department.

1. The original open items listing prepared by the Sheriff's bookkeeper as of February 29, 2008, identified nine bonds dated prior to May 22, 2005, totaling \$2,250. When bonds are received by the Sheriff's Department, they are first identified as a Benton County or other county's bond and then deposited to the Sheriff's bank account. Other counties' bonds are paid to the appropriate political subdivisions; however, Benton County bonds are held by the Sheriff until called for by the Benton County Circuit Court (Circuit Court).

The bookkeeper indicated she had requested the Prosecuting Attorney to determine whether charges were filed and pending on these nine bonds. In a letter dated March 14, 2007, the Prosecuting Attorney responded that no charges would be filed on five of the nine bonds, and no information could be found on the other four bonds. Upon our request, the bookkeeper reviewed the status of these bonds and identified three of the nine bonds were paid out prior to March 14, 2007, and two of the bonds were paid out subsequent to February 29, 2008. The bonds paid out prior to March 14, 2007, are not included in the February 29, 2008, open bonds balance presented above in part C.

Procedures should be established to routinely investigate bonds remaining in the Sheriff's bank account over a specified period of time. If it is determined that charges will not be filed, the Sheriff's Department should refund the bonds. If the payees cannot be located, the amount should be disbursed to the state's Unclaimed Property Section as required by Sections 447.500 through 447.595, RSMo.

2. The Sheriff's Department collects all Benton County bond monies and holds these monies until they are called for by the Circuit Court. The Circuit Court does not call for bond monies until a case has been filed by

the Prosecuting Attorney and established in the Justice Information System (JIS) maintained by the Circuit Court. The Circuit Clerk stated these bonds are not called for until this time because no case has been established in the JIS. However, the JIS is capable of receipting a "no case bond" and tracking that receipt as a liability until paid out. The Sheriff's Department does not have a system in place to adequately track open bonds.

The Sheriff should work with the Circuit Court to turn bond monies over as received or at least on a monthly basis. This would reduce unnecessary record keeping by the Sheriff's Department and more accurately track and identify open bonds.

- J. Monitoring procedures related to accrued civil fees are not adequate. The Sheriff's Department receives fees for serving civil papers. A computerized record is created for each person that papers are served on, including amounts charged and received, and the balance due. The bookkeeper indicated she sent bills in January of 2007 to each party that owed the Sheriff's Department civil mileage fees notifying them of the total amount due; however, additional collection efforts have not been performed. An account balance report reflected accrued civil fees due of approximately \$16,000 as of March 20, 2008, which included some charges from as far back as January 2006.

Failure to adequately monitor and pursue collection of accrued costs results in lost revenue to the county. To ensure civil fees received by the Sheriff's Department are maximized, the fees should be billed in a timely manner and procedures implemented to pursue delinquent amounts due.

- K. An old bank account, which was maintained by the prior Sheriff, had a balance of \$1,535 at December 31, 2007. There has been no activity in this account since 2001. No attempt has been made by the Sheriff to identify or properly dispose of the monies in this account. The Sheriff should attempt to identify the monies held in the old bank account. If the monies cannot be identified, the Sheriff should consult legal counsel to determine the proper disposition of the monies and close the account.

Conditions similar to A, C, and G were noted in the prior report.

WE RECOMMEND the Sheriff:

- A. Adequately segregate duties or establish procedures for supervisory review.
- B. Perform monthly bank reconciliations and investigate any unreconciled differences.

- C. Work with law enforcement and the Prosecuting Attorney to resolve the shortage and take the necessary action to recover any missing funds. In addition, the Sheriff should ensure a monthly listing of liabilities is prepared and reconciled to the cash balance. In the future, differences should be investigated and resolved on a timely basis.
- D. Issue receipt slips for all monies received. All receipt slips should be accurately recorded and posted to the monthly report in a timely manner. The composition of receipt slips should be reconciled to bank deposits and any differences resolved in a timely manner. In addition, monies currently in the bank account that are due to the Sheriff's Civil Fees Fund, as noted above, should be turned over to the County Treasurer.
- E. Reconcile the composition of receipt slips to deposits. In addition, bond monies received after hours should be reconciled to receipt slips issued, and the numerical sequence of the receipt slips should be accounted for properly.
- F.1. Identify the method of payment on all receipt slips.
 - 2. Issue receipt slips in sequential order.
 - 3. Properly deface and retain all voided receipt slips.
- G. Deposit all monies intact in a timely manner.
- H. Establish procedures to investigate old outstanding checks. If payees cannot be located, the balance should be distributed in accordance with applicable statutory provisions.
- I.1. Establish procedures to review old bonds. If it is determined that charges will not be filed, the Sheriff should determine the appropriate disposition of the open bonds.
 - 2. And the Circuit Clerk work together to ensure bond monies are turned over to the Circuit Clerk's office as received.
- J. Establish procedures to bill civil fees in a timely manner and periodically pursue delinquent amounts due.
- K. Attempt to identify the monies held in the old bank account. If monies cannot be identified, the Sheriff should consult legal counsel as to the proper disposition of the monies.

AUDITEE'S RESPONSE

The Sheriff indicated many of the findings were due in large part to the previous secretary leaving prior to him taking office. This created a problem in advising of the proper procedures for office staff to follow for certain daily and monthly functions. The Sheriff also indicated:

- A. As of January 1, 2008, a court clerk has been reviewing transactions performed by the bookkeeper and preparing a short report to express her findings. Hard copies of this report are then submitted to the Sheriff for his records and review. The report includes the check of bank reconciliations, the monthly fee sheet, bond sheets, and some civil account functions.*
- B. Bank reconciliations are performed monthly and outstanding checks are investigated. The department shows no unreconciled checks as of January 1, 2008. The checkbook has balanced to the penny with the exception of the \$350 which has still not been identified.*
- C. He has ordered that an internal investigation be performed by the Missouri State Highway Patrol. In addition to that, a monthly open items listing is prepared by the bookkeeper and reviewed. It is comprised of only the bonds that have not been called for by the Circuit Clerk's Office, as the Sheriff's Department does not pay bills directly from his office.*
- D&E. The fee sheet is updated on a daily basis. Any receipts written on that particular day are posted to the fee sheet at the end of the day. Bank deposits are prepared daily notating the receipt numbers included in the cash and check deposits. This allows proper tracking of cash monies deposited, and ensures that all cash monies are accounted for and being deposited. A check has not yet been drafted for the County Treasurer in reference to the civil fees not turned over from August 2006 to February 2008 as the Sheriff was waiting for a recommendation.*
 - F.1. This has been brought to the attention of anyone accepting monies, and is being checked as the daily deposits are reconciled to the receipt book.*
 - 2. Each receipt book is marked with the dates that receipts have been written for on the front of the book. It has been brought to the attention of anyone receiving monies to make sure that the next receipt written falls in sequential order.*
 - 3. Upon this being brought to the Sheriff's attention, all receipts are attached to the yellow copy and voided correctly.*
- G. Deposits are prepared daily. Receipts placed in the safe with monies are reconciled with the receipts in the receipt book to ensure that all cash monies are being deposited and in a timely manner.*

H. *Outstanding checks have been investigated. Those checks that were outstanding and were too old to be paid out were stopped. The agencies or governments that the others were written to were contacted in an effort to try to establish if they were ever received or cashed. The Sheriff is still awaiting a response from a few agencies.*

I.1. *Some cases may take up to a year to establish a case number and the bond be called for. Old bonds have been investigated and payees have been notified of available funds that can be collected by coming to the Benton County Sheriff's Department with proper ID. The Sheriff's Department is still awaiting responses from some of the payees that were contacted. Many of the outstanding bonds that were placed on the original open items listing have since been taken off due to payment in past years. Failure to remove these paid bonds from the open items listing resulted in showing outstanding debt to payees. An updated listing has been prepared. Bonds that are still outstanding are being investigated further. Bonds that are not collected by payees will be turned over to the Benton County Treasurer to be submitted to the proper accounts following applicable statutes.*

2. *He and the bookkeeper have visited with the Circuit Clerk in reference to taking over bond monies as they are received. The Circuit Clerk's office is not interested in pursuing this course of action at this time and requests that the Sheriff's Office continue performing turn over as they have in the past.*

The Circuit Clerk indicated she has reviewed with the Circuit Judge and the Associate Circuit Judge the finding and recommendation, regarding the Sheriff's audit report, as to the comment pertaining to the Circuit Court. While the court's JIS computer system is capable of tracking bonds filed with the court, it is the responsibility of the Sheriff to maintain his own records accurately. As indicated in the report, the court only accepts cash bonds from the Sheriff after the Prosecuting Attorney files a case. If the court were to accept cash bonds without a case having been filed, this in turn would be unnecessary record keeping for the Circuit Court. Therefore the Circuit Court's policy for receipting cash bonds filed with the court will remain the same at this time. The Circuit Clerk will, however, discuss the recommendation with the Sheriff.

J. *Old accounts have since been re-billed. Efforts to collect on outstanding accounts are being followed up on. In the future, the bookkeeper will attempt to collect on outstanding accounts at the end of every month.*

K. *The auction account has since been investigated. These were funds from an old seizure of property. The account was set up by a previous Sheriff. The Sheriff's Department has submitted a letter to the Prosecuting Attorney requesting the release of these monies so that the account may be dissolved. Discussion of giving these monies to the local D.A.R.E Fund for drug education would be the Sheriff's preference for dissolution of this account. The Sheriff is awaiting a response from the Prosecuting Attorney.*

Numerous control weaknesses were noted during our review of the County Collector's procedures. The County Collector does not prepare bank reconciliations for two on-line bank accounts and does not prepare monthly listings of liabilities for any accounts. In addition, an account carried over from the prior County Collector has a balance of approximately \$76,000, which includes accumulated interest, undistributed mailing commissions, and other unidentified amounts. The method of payment is not indicated on some tax receipts and the composition of receipts is not reconciled to the composition of deposits. The County Collector does not have current written agreements with the cities for which she performs property tax collection services and does not distribute some commissions in accordance with state law. The County Collector does not have written depository agreements for all banks in which County Collector funds are deposited and an excessive number of bank accounts is maintained. Errors were noted on the annual settlement filed for the year ended February 28, 2007. Also, the County Clerk's account book with the County Collector is not complete and cannot be used to adequately verify the County Collector's annual settlement. The current County Collector's term of office began effective March 1, 2007.

- A. The County Collector does not prepare formal bank reconciliations for the two on-line tax payment bank accounts maintained. The combined bank balance in the two accounts at February 29, 2008, totaled approximately \$10,600. The first on-line account was opened by the prior County Collector and utilized by the current County Collector until August 2007 when she opened up a second on-line payment account. The County Collector had planned to use the second account for all on-line tax payments; however, the County Collector's on-line payment contractor has continued to deposit some payments into the first account. The County Collector obtains the tax statements paid on-line each day and records these collections in her daily record book of collections. However, she is unable to reconcile each day's collections recorded in her daily record book to the amount recorded by the bank as deposited. The County Collector stated this is because the on-line payment contractor may deposit monies to the County Collector's bank account on a different day than when the tax statement was paid on-line. The County Collector indicated she is working with the on-line payment contractor to resolve these depositing and reconciling issues.

Formal bank reconciliations are necessary to ensure accounting records agree with bank records and to detect errors in a timely manner.

- B. Monthly listings of liabilities are not prepared and reconciled to cash balances. In addition, the County Collector has not identified liabilities and made appropriate distributions of funds from an old general property tax account carried over from the prior County Collector.

1. Monthly listings of liabilities are not prepared and reconciled to cash balances. We requested the County Collector prepare a liabilities listing as of February 29, 2008. The County Collector was able to reconcile liabilities to the cash balance of her main general property tax account. However, of cash balances totaling approximately \$11,800 for the other general property tax, credit card, protest, and tax sales redemption accounts, a total of approximately \$6,700 was unidentified. The County Collector indicated the unidentified differences were most likely accumulated interest earned prior to March 2006 which was not distributed; however, she did not calculate accumulated interest to determine if this was the case. In addition, the County Collector did not prepare a listing of liabilities for the old general property tax account or her two on-line tax payment accounts.
2. The old general property tax bank account was used by the current County Collector until July 2007 when a new general property tax bank account was opened. The current County Collector indicated she opened a new bank account because she was unable to identify the liabilities comprising the old bank account's balance. There has been no activity in this account, other than interest earnings, since July 2007.

The bank balance of this account as of February 29, 2008, was approximately \$76,000, most of which was carried over from the prior County Collector. It appears mailing commissions of approximately \$33,000 reflected on the December 2005 monthly statement of collections, may not have been distributed and are included in the bank balance. Although some of the mailing commissions would be attributed to the prior County Collector's other bank accounts, the distributions of these monies would primarily be from this account. In addition, the current County Collector indicated her review of the prior County Collector's bank accounts revealed that interest had not been distributed in several years. Although the current County Collector distributed interest earned during the year ended February 28, 2007, accumulated interest in this account of approximately \$35,700 was undistributed as of February 29, 2008. Further, the prior audit report identified overpayments of approximately \$8,000 which were due to various taxpayers that should be investigated to determine whether proper payout of the liabilities occurred. Also, the current County Collector indicated this account may include old outstanding checks.

The old general property tax account's total liabilities should be identified and distributed. The County Collector should stop payment on old outstanding checks in this account and if the payees cannot be located, amounts should be disbursed in accordance with state law. Any

unidentified balances or shortages should be resolved and the account closed.

Monthly reconciliations of liabilities to reconciled cash balances are necessary to ensure sufficient cash is available for the payment of all liabilities. Any unidentified differences should be investigated and resolved. In addition, interest earnings should be distributed at least annually to county funds and taxing authorities.

- C. The method of payment is not indicated on some tax receipts and the composition of receipts is not reconciled to the composition of deposits. The County Collector stated the method of payment is only indicated on tax receipts paid by walk-in tax payers; however, we noted one tax receipt paid in cash which was not identified as such. She also indicated the method of payment is not indicated on tax receipts paid by mail.

To ensure all monies are properly accounted for and deposited, the method of payment should be indicated on all tax receipts and the composition of receipts should be reconciled to the composition of bank deposits.

- D. The County Collector does not have current written agreements for city property tax collection services performed. In addition, the County Collector does not distribute commissions paid by taxpayers on delinquent city tax payments for the city of Warsaw in accordance with state law. The County Collector retained city commissions totaling \$5,399 for the year ended February 29, 2008.

1. The County Collector does not have current written agreements with the cities for property tax collection services performed. The County Collector collects city property taxes for the cities of Cole Camp, Ionia, Lincoln, and Warsaw. The most recent agreements were entered into by the prior County Collector in 1986 (Cole Camp), 1989 (Ionia), and 2006 (Lincoln). The prior County Collector had not entered into a written agreement with Warsaw.

Section 50.332, RSMo, allows county officials, subject to the approval of the county commission, to perform services for cities they normally provide to the county for additional compensation. Section 432.070, RSMo, requires all such contracts be in writing.

2. The County Collector does not distribute commissions paid by Warsaw taxpayers on delinquent city tax payments in accordance with state law. A seven percent additional commission paid by the taxpayer is applied to delinquent city tax collections. Four-sevenths, one-seventh, and two-sevenths, of the additional commission is distributed to the County Collector, Tax Maintenance Fund, and County Employee's Retirement Fund (CERF), respectively.

Section 52.290, RSMo, provides the seven percent additional delinquent tax commission shall be distributed as follows: two-sevenths into the county General Revenue Fund, two-sevenths into the Tax Maintenance Fund, and three-sevenths into the CERF.

Current written contracts, signed by the city, the County Collector, and the County Commission should be prepared. The contracts with the cities should clearly define the amount of additional commissions to be assessed, and address the distribution of all commissions.

- E. The County Collector does not have depository agreements with any of the four banks in which she maintains bank accounts. Proposals for bank services for monies in the custody of the County Treasurer are solicited every four years; however, the County Collector's funds are not included in the solicitation.

The County Collector should solicit proposals for bank services and enter into a depository agreement or ensure her office is included in the county's depository agreement. Such an agreement may cover issues such as costs of checking accounts and safe deposit boxes, interest to be paid on checking accounts, and should include collateral securities required to be pledged.

- F. As of February 29, 2008, the County Collector maintained nine checking accounts. These included one inactive general property tax account, two current general property tax accounts, one old on-line payment account, one current on-line payment account, one credit card payment account, one tax sale redemption account, one protest account, and the Tax Maintenance Fund account. An excessive number of accounts results in additional record keeping, makes it more difficult to ensure all monies are properly accounted for, and increases the likelihood that errors will occur. Overall efficiency could be improved by reducing the number of accounts.

- G. The County Collector's annual settlement for the year ended February 28, 2007, was inaccurate. In addition, the County Clerk's account book is incomplete, and the County Collector's annual settlement is not reviewed for accuracy.

- 1. Total distributions exceeded collections by approximately \$34,000 on the annual settlement for the year ended February 28, 2007. Incomplete and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector was charged with collecting.

Collections agreed to distributions reported on the annual settlement for the year ended February 29, 2008.

2. The County Clerk's account book does not include tax charges or additions and abatements and cannot be used to adequately verify the County Collector's annual settlement. In addition, the County Clerk and County Commission indicated they do not review the County Collector's annual settlement for accuracy. An account book should summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts. A complete account book would enable the County Clerk to ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Commission to verify the County Collector's annual settlement. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Conditions similar to A, B, D.1 and G were noted in the prior report.

WE RECOMMEND the County Collector:

- A. Continue to work with the on-line payment contractor to resolve the depositing and reconciling issues. Once resolved, the County Collector should perform monthly bank reconciliations and investigate any unreconciled differences.
- B. Prepare monthly listings of liabilities and reconcile to cash balances. In addition, interest earned on bank deposits should be distributed in a timely manner. The old general property tax account liabilities should be identified and distributed and the account closed. Any unidentified balances or shortages noted for any of the accounts should be investigated and resolved.
- C. Indicate the method of payment on all tax receipts and reconcile the composition of tax receipts to the composition of deposits. Any differences should be investigated and resolved.
- D.1. Work with the County Commission to obtain current written agreements with the cities for tax collections.
 2. Distribute delinquent tax commissions in accordance with state law, in lieu of current written agreements.
- E. Solicit proposals for bank services and enter into a depository agreement or ensure her office is included in the county's depository agreement.
- F. Reduce the number of bank accounts.

- G. File complete and accurate annual settlements. In addition, the County Clerk should maintain a complete account book with the County Collector, and the County Commission should use the account book to verify the County Collector's annual settlement.

AUDITEE'S RESPONSE

The County Collector indicated:

- A. *She has worked with the on-line contractor and seems to have resolved the problems they were previously having with deposits not matching their records. The bank reconciliations are now being performed monthly and no reconciling issues have occurred.*
- B. *She has started doing monthly reconciliations in the manner suggested and listing the liabilities on each account. On the old account which had the \$76,000 balance, she has gone back to 2003 and found where some mailing fees were not distributed, which she has now corrected. The County Collector is working on distributing 2004 and 2005 interest and has distributed 2006 interest. All old outstanding checks have been found and are being reissued in order to close out this account.*
- C. *They do mark the method of payment on tax receipts and will continue to do so. Payments by mail are worked separately and are rarely ever received in cash. If it is a credit card, it is marked as such.*
- D. *She has contacted the cities and County Commissioners concerning new city contracts. The old contract read "and subsequent collector", which she thought should be sufficient.*
- E. *She has contacted the banks on depository agreements.*
- F. *She plans to close out the old accounts later this month.*
- G. *She has found where she made the error on the year ended February 2007 annual settlement. She was never told it was wrong at the time. She has done the year ended February 2008 settlement correctly.*

The County Clerk indicated she is now using an excel spreadsheet to maintain a complete account book with the County Collector, and the County Commission shall use the account book to verify the County Collector's annual settlement.

3.

County Procedures

The county did not reduce its general revenue property tax levy sufficiently resulting in excess property tax collections. In addition, the Special Road and Bridge Fund budgets did not adequately project the anticipated financial condition of the fund, and a formal

maintenance plan has not been prepared to document expected work on the county's roads and bridges.

- A. The general revenue property tax levy was not sufficiently reduced, resulting in excess property tax collections of approximately \$70,800 at December 31, 2007. While the county's calculations properly identify each year's excess property tax collections from prior years, the county has not reduced its property tax levy further to account for the excess. The excess has accumulated over several years. Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Benton County voters enacted a one-half cent sales tax with a provision to reduce property taxes by fifty percent of sales taxes collected.
- B. The 2007 and 2006 Special Road and Bridge Fund budgets did not adequately project the anticipated financial condition of the fund. Actual ending cash balances exceeded anticipated ending cash balances by approximately \$640,000 and \$308,000 in 2007 and 2006, respectively. This resulted primarily because appropriated disbursements were significantly overstated.

For the budget documents to be of maximum assistance to the county as a planning tool and to adequately inform county residents of the current financial position and operations, the budgets should reflect reasonable estimates of receipts and disbursements, and the anticipated ending cash balances.

- C. A formal maintenance plan has not been prepared to document expected work on the county's roads and bridges. During each of the years ended December 31, 2007 and 2006, Special Road and Bridge Fund disbursements totaled approximately \$1.9 million and \$1.2 million, respectively (excluding distributions to special road districts and administrative transfers). A maintenance plan should be prepared in conjunction with the annual budget and include a description of the roads and bridges to be worked on, 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. The plan should be referred to in the budget message and be approved by the County Commission. In addition, the County Commission should consider holding a public hearing to obtain input from county residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. A plan provides a means to continually and more effectively monitor and evaluate the progress made in repair and maintenance throughout the year.

WE RECOMMEND the County Commission:

- A. Develop a plan to correct the accumulation of prior years' excess sales tax collections.

- B. Ensure budget estimates for revenues and expenditures are based on actual expected occurrences.
- C. Prepare a formal maintenance plan for county roads and bridges at the beginning of the calendar year and periodically update the plan throughout the year. In addition, the County Commission should review the progress made in the repair and maintenance of the roads and bridges to better enable them to make appropriate decisions on future projects.

AUDITEE'S RESPONSE

- A. *The County Clerk and County Commissioners are currently reviewing the general revenue property tax levy for sales tax roll back. Adjustments will be made to correct the accumulation of prior year's excess tax collections.*
- B. *The County Commission indicated funds that were not spent in 2007 and 2006 were due to either weather issues and/or suppliers not being able to produce materials to complete projects.*
- C. *The County Commission indicated that in the past, a report of projects to be done has been posted on the bulletin board in the County Commission Office. However, the current Presiding Commissioner did not realize that it was his responsibility to type up and post the report. In the future, the County Commission will have the road commissioners present a schedule of work for the year and it will be posted.*

4. Minutes, Cellular Telephone Policy, and Building Plan

Written minutes are not prepared for closed meetings. In addition, the County Commission has not developed a written policy for the use of county cellular telephones or formal plans for a vacant county owned building.

- A. Written minutes are not prepared for County Commission closed meetings. Written minutes for closed meetings would result in a better record of commission transactions, proceedings, and decisions, and are necessary to demonstrate compliance with state law.

The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open meeting and requires minutes to be maintained for all closed meetings. In addition, the Sunshine Law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made.

- B. The County Commission has not developed a written policy regarding cellular telephone usage. The Road and Bridge and Sheriff Departments, Victim's Advocate, Public Administrator, and Emergency Management Director utilize cellular telephones. The county expended approximately \$6,900 and \$6,600 for cellular telephone usage in 2007 and 2006, respectively. A written policy regarding county cellular telephone usage is necessary to prevent misuse of county assets and to ensure there is no misunderstanding within the county regarding county cellular telephone usage. This policy should provide criteria for determining which employees should be assigned a cellular telephone and proper use of the telephones. In addition, the policy should establish required billing review procedures.
- C. The County Commission has not developed formal plans for a county owned building which has remained unoccupied since its purchase. In 2003, the county purchased a building across the street from the courthouse for \$171,000 for the purpose of relocating some county offices from the courthouse. According to an Associate County Commissioner, the county hired an engineering firm in 2004 to provide an estimate of the cost to remodel the building, which was approximately double what the county had expected. As a result, the building has not been utilized by the county as planned and has remained vacant since it was purchased.

As noted in our review of the County Commission meeting minutes, in 2007 the county advertised for sealed bids for sale of the property. One bid of \$40,000 was received and reviewed in March 2007, considered too low, and rejected by the County Commission. Once rejected, the County Commission advertised for realtor services to sell the property. The Presiding Commissioner stated that if the property does not sell soon, they will consider other options; however, no formal plans have been prepared or finalized. The County Commission should develop formal plans for the sale, including negotiations in asking price, or use of this property, in the event the building does not sell. In addition, cost estimates associated with a major county purchase such as renovations and improvements should be determined prior to the purchase.

WE RECOMMEND the County Commission:

- A. Ensure minutes are maintained for all closed meetings.
- B. Develop a written policy regarding cellular telephone usage and establish billing statement review procedures.
- C. Develop a formal plan for the sale or use of the vacant building.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *The County Commission did not realize that minutes needed to be kept for closed meetings unless a decision or vote had been made. The County Commission now has minutes of closed meetings on file.*
- B. *The county is in the process of establishing a new employee handbook and cell phones are addressed in the new handbook.*
- C. *At the time the Presiding Commissioner took office there was a plan to fix up the county owned building across the street and move offices into it, but opposition had come up and the preceding Presiding Commissioner left it up to the new County Commission. At that time, the County Commission tried to sell it and add onto the Courthouse, so the County Commission has had a plan but it has not been put in writing. In the future, the County Commission will be determining what they plan on doing with the building and will put the plan in writing.*

5. County Disbursements

Bids were not always solicited or documentation retained of bids solicited in accordance with state law. In addition, improper disbursements were noted including a loan to a not-for profit organization. Also, supporting documentation related to some disbursements was not sufficient.

- A. Bids were not always solicited or documentation retained of bids solicited for purchases made by various county officials. In addition, circumstances resulting in sole source procurements were not adequately documented. Examples of items purchased without bids or for which bid documentation was not maintained included the following:
 - The County Commission entered into a lease purchase agreement for five copy machines, with an annual cost of \$15,792 per year. Bids were not solicited for these copy machines.
 - The E-911 and Sheriff Departments purchased an automatic vehicle location (AVL) program and related radio equipment for a total cost of approximately \$53,000. The E-911 Director provided quotes from three vendors for the AVL program; however, he was unable to provide the pricing page for one of the quotes and documentation that the purchase was advertised. In addition, bids were not solicited for the purchase of the radio equipment. The E-911 Director stated only one company was able to provide the radio equipment compatible with the AVL program purchased and the E-911 tower; however, sole source was not documented.
 - The Presiding Commissioner stated the county solicited Requests for Qualifications (RFQ) from four engineering firms for architectural services of a new entrance porch for the courthouse. However,

documentation of the solicitation of the RFQ's and reasons the engineering firm was chosen were not maintained. The cost of the services totaled approximately \$11,000.

- The County Clerk purchased voting equipment totaling approximately \$67,000. She stated the bid of this equipment was advertised; however, documentation was not retained.
- Various officials purchased new computer equipment totaling approximately \$17,000, including installation and repair. According to the County Commission, no bids were solicited for these purchases because the company used is the only local company that can provide all of the county's computer service needs and the county wanted to use a local company.

Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all interested parties are given an equal opportunity to participate in county business. Furthermore, the county should document justification for awarding bids or reasons for sole source procurement, as well as retain bid documentation. Finally while local preference may be a consideration in the bid evaluation process, other factors such as cost and service, should also be evaluated.

Section 50.660, RSMo, requires the advertisement of bids for all purchases of \$6,000 or more (\$4,500 or more prior to August 28, 2007) and bidding on any purchase of \$4,500 or more made from any one person, firm, or corporation during any period of 90 days.

A similar condition was noted in the prior report.

- B. The county loaned a total of \$10,000 to a private organization in May 2005 and September 2006 for the purpose of providing start up costs to establish a Veterans Memorial Walkway located on the courthouse grounds. In addition, although two written loan agreements were entered into, the agreements were not adequate. The first \$5,000 loan agreement did not identify a specific repayment date, repayment amount, or interest rate to be paid on the loan. The second loan agreement stated the repayment would be by mutual agreement by the county and the private organization when the project began to realize a profit. The organization was responsible for all aspects of the project; however, due to problems with the construction of the project, the county took over the project in 2006. As of April 7, 2008, the county had not received any repayment on the loans.

Although the County Commission may have believed loaning the money to the private corporation was in the best interest of the county, providing money in

advance may create a situation where it is difficult or impossible to recover the amounts loaned. In addition, Article VI, Sections 23 and 25 of the Missouri Constitution, prohibits the loaning or granting of public funds to private corporations.

- C. The county paid \$1,181 and \$715 for employee recognition dinners in December 2007 and 2006, respectively. The costs included meals for one guest per employee. Such disbursements do not appear necessary for the operation of the county and do not appear to be a prudent use of public monies. County residents have placed a fiduciary trust in their public officials to spend county revenues in a prudent and necessary manner.
- D. Supporting documentation related to some disbursements was insufficient. The following examples were noted:
- The county purchased land costing approximately \$8,900 for the purpose of Road Department storage without obtaining a documented appraisal on the property or determining the assessed valuation of the land from the County Assessor. The Northern Associate County Commissioner indicated a realtor was consulted regarding the fair market value of the land; however, no documentation was retained. Good business practice requires that real estate purchases be formally and independently appraised to ensure a reasonable price is paid.
 - Invoices provided to the county for brickwork performed on the Veteran's Memorial totaling approximately \$23,000 and budget preparation assistance totaling \$1,500 did not identify what comprised the total amount billed.
 - Four of eight credit card receipts reviewed did not include documented approval by the respective official.

To ensure the validity and propriety of disbursements, adequate supporting documentation should be obtained for all payments to vendors.

WE RECOMMEND the County Commission:

- A. Ensure bids are solicited in accordance with state law. Documentation of bids solicited, including advertisements, and justification for bid awards should be retained. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.
- B. Discontinue loans of public funds.
- C. Ensure all disbursements are reasonable, necessary, and a prudent use of public funds.

- D. Ensure adequate supporting documentation is obtained for all payments to vendors.

AUDITEE'S RESPONSE

The County Commission indicated:

- A. *The Presiding Commissioner did solicit RFQ's for the new porch, but did not maintain the proper records. The County Commission has established a new procedure check list to help maintain this record in the future.*
- B. *If the County Commission would not have loaned the money to the Veterans Memorial Walkway, they would still have a mess on the courthouse lawn. At the time, the County Commission felt it was the only way to fix the problem. The Veterans have formed a new committee and the County Commission will be writing a new contract where the county will be reimbursed in the future for every brick purchased. The County Commission indicated they have discontinued loans of public funds.*
- C. *This dinner is an employee appreciation dinner that the County Commission and every other organization around do for its employees. The County Commission hands out service awards at this dinner and recognizes other accomplishments by elected officials or employees. The County Commission feels if the employees had to pay for the spouse's dinner, there would be no participation from the employees.*
- D. *The Northern Associate County Commissioner used a retired real estate agent that works in a bank and discussed this piece of property with him and the value of it and the banker informed him that it was well worth the value that was asked. The Associate County Commissioner did not document this conversation. The County Commission has now adopted the policy of documenting all business which would include bids solicited, advertisements and justification for bid awards. The County Commission is also ensuring all expenditures are reasonable and necessary and that adequate supporting documentation is obtained for all payments to vendors.*

6. County Vehicles

The County Commission does not have a written policy regarding the use of county owned vehicles. In addition, controls and monitoring of the Sheriff Department's vehicle expense logs and fuel purchases are in need of improvement. Controls of E-911 vehicle usage are also in need of improvement.

- A. The County Commission does not have a written policy regarding the use of county owned vehicles. The county owns three vehicles, exclusive of Sheriff's Department and E-911 vehicles. These vehicles are available for use by any county employee; however, the Presiding Commissioner stated county employees generally use their personal vehicles for county travel.

Our review of mileage logs maintained for these three vehicles noted the Assessor's employees primarily used two of the vehicles; however, the Assessor always used his personal vehicle even when a county owned vehicle was available. The Presiding Commissioner stated the third vehicle is mainly used by the County Commission and mileage logs were completed; however, the mileage logs could not be located for the time period from May 2006 through December 2007. Mileage reimbursements totaling approximately \$15,000 and \$14,000 were made to the County Commissioners and Assessor during the years ended December 31, 2007 and 2006, respectively.

A formal written county vehicle policy is needed to inform county officials and employees of the proper use of vehicles, outline documentation requirements, and address the use of personal vehicles when a county vehicle is available. In addition, vehicle mileage logs are necessary to document appropriate use of the vehicles and support fuel charges and should be properly completed and retained. Finally, the County Commission should evaluate the cost effectiveness of retaining these vehicles.

- B. The Sheriff Department's fuel billing statements are not adequately reconciled with the vehicle expense logs, and fuel receipts are not required to be submitted for fuel purchases. In addition, the vehicle expense logs are not always accurately completed. The budgets reflect actual fuel costs for the Sheriff's Department of approximately \$71,000 and \$62,000 in 2007 and 2006, respectively. As of May 2007, twenty-two vehicles were assigned to the Sheriff's Department.

Sheriff Department deputies purchase gasoline for county owned vehicles using fuel keys assigned to them. When fuel is purchased for these vehicles, the deputies document the date, mileage of the vehicle, and number of gallons purchased on the vehicle expense logs. The deputies also have the option to print a receipt; however, receipts are not required to be printed and submitted to the Sheriff's office. The county receives a monthly billing statement for these fuel purchases. However, there is no independent reconciliation of the logs to monthly fuel billing statements, and the gas purchases and mileage amounts recorded on the logs are not reviewed for accuracy or reasonableness.

Our review of the May 2007 fuel billing statement and corresponding vehicle expense logs noted several instances where fuel purchases billed were not recorded on the logs. We also noted multiple instances where dates and amounts of fuel purchases did not agree between the vehicle expense logs and billing statements. Accurate vehicle expense logs are necessary to document appropriate use of the vehicles and support fuel charges. To ensure the validity and propriety of amounts billed and mileage driven, fuel receipts should be printed and reconciled to the vehicle expense logs and monthly billing statements. In addition, the vehicle expense logs should be reviewed for reasonableness.

- C. Vehicle mileage logs are not maintained for the two E-911 vehicles. The budgets reflect annual actual vehicle expenses of approximately \$5,300 and \$7,000 in 2007 and 2006, respectively. Vehicle logs are necessary to document appropriate use of the vehicle and support fuel charges. Vehicle logs should include the date, vehicle operator, purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by the E-911 Director to ensure vehicles are being properly utilized.

WE RECOMMEND:

- A. The County Commission establish a written policy regarding the appropriate use of county vehicles. The policy should address allowable and unallowable use of vehicles and the records required to account for such use. In addition, the County Commission should evaluate the cost effectiveness of retaining the vehicles.
- B. The Sheriff ensure accurate vehicle expense logs are maintained for Sheriff Department vehicles, and fuel receipts are printed and submitted with the logs. In addition, the logs should be reviewed for accuracy and reasonableness and reconciled to billing statements.
- C. The County Commission and E-911 Director ensure vehicle logs are maintained for all county vehicles. In addition, the logs should be reviewed for accuracy and reasonableness.

AUDITEE'S RESPONSE

- A-C. *The County Commission indicated these issues will be addressed in the new employee handbook.*
- B. *The Sheriff indicated that as of April 1, 2008, all deputies are required to print receipts with every gas purchase. These receipts are attached to the mileage log submitted by the deputy at the end of every month to be reviewed by the bookkeeper and reconciled to the monthly billing statement from the company providing gas services.*
- C. *The E-911 Director indicated he will begin maintaining vehicle logs.*

7. County Treasurer's Accounting Controls and Procedures

The County Treasurer did not prepare complete and accurate bank reconciliations and settlements or maintain all county monies in the depository bank.

- A. Monthly bank reconciliations have not been properly prepared or documented for the primary bank account. The County Treasurer indicated he reviews the bank statements and compares receipts to bank statement deposits. An employee in the

County Clerk's office prepares a monthly listing of outstanding checks. However, reconciliations of the total bank balances to the total fund balances are not performed. Complete and properly documented reconciliations between the bank balances and the fund ledger balances are necessary to ensure all monies have been properly recorded and accounted for.

- B. The County Treasurer did not prepare the June 30, 2007, semi-annual settlement, and the 2007 annual settlement was not accurate. The County Treasurer stated his computer system crashed in June 2007 resulting in lost data for the first six months of the calendar year; therefore, he did not complete the semi-annual settlement at that time. The County Treasurer did prepare an annual settlement for 2007; however, it did not include receipts and disbursements of the General Revenue Fund for the first six months of the year. Although the electronic data was no longer available, the County Treasurer retains copies of monthly reports that could have been used to obtain the receipts and disbursements for the first six months of 2007. In addition, the County Treasurer included the July 1, 2007, beginning General Revenue Fund cash balance as a July 2007 receipt. As a result of these errors and omissions, General Revenue Fund receipts and disbursements on the 2007 annual settlement were understated by approximately \$947,000, as compared to the county's 2008 budget.

Section 54.150, RSMo, requires the County Treasurer to settle accounts with the County Commission semiannually. In addition, the County Treasurer should prepare complete and accurate semi-annual settlements which are reconciled to the county's budget to ensure all county funds are properly accounted for and recorded.

- C. The County Treasurer currently maintains three bank accounts representing General Revenue Fund monies which have had little or no activity since 2002 except interest earnings. The combined balance of the three bank accounts at December 31, 2007, totaled \$134,309. In addition, two of these bank accounts, totaling \$97,130, or 73 percent of the total combined balance of the three accounts are not in the county's depository bank and earn a lower interest rate than the monies in the depository bank.

An excessive number of bank accounts results in unnecessary record keeping and increases the likelihood that errors will occur when recording transactions. In addition, county revenues are not maximized when monies are maintained in banks that provide lower interest rates than the depository bank. To improve efficiency and ensure the county is receiving the best return possible on its revenues, the account balances should be consolidated and maintained in the county's depository bank.

Conditions similar to A and B were noted in the prior report.

WE RECOMMEND the County Treasurer:

- A. Prepare and document monthly bank reconciliations.
- B. Prepare complete and accurate semi-annual settlements.
- C. Consolidate the three General Revenue Fund bank account balances into the main depository bank account and close the accounts.

AUDITEE'S RESPONSE

The County Treasurer indicated:

- A. *He does do monthly reconciliations of all accounts other than the main account. The main account has its deposits and checks reconciled between his office and the County Clerk's office and outstanding checks are tracked monthly. This was the procedure used when he assumed the office. The County Treasurer is exploring a new software program that will also allow for monthly reconciliation of the main account.*
- B. *His office did suffer a total loss of data on the office's computer due to failure of the hard drive and a functional problem on the back-up system, although paper back-up records were maintained. This made preparing a semi-annual settlement extremely difficult for that year. There was a mistake made in the 2007 annual settlement due to the above mentioned computer problems and this was corrected. There were no funds missing and in all previous years semi-annual and annual settlements have been filed in a timely manner. There has now been a secured back-up system installed that stores all data off premises nightly.*
- C. *The two bank accounts held in other banks have been in existence for an extended period of time. These funds have been kept there so as to reinvest some of the tax money that is collected from these communities back into them. These accounts have been discussed with the county commissioners in the past and it was decided to leave them as they were. The only time that these accounts are a substantial percentage of the total balance is at the end of the year.*

8. Prosecuting Attorney's Accrued Costs Procedures

The Prosecuting Attorney does not have a current listing of amounts owed for court ordered restitution, and monitoring procedures of the amounts owed are not adequate. In addition, the county is not fully utilizing the capabilities of the Justice Information System (JIS) to track and collect all court ordered restitution owed.

- A. A current listing of court ordered restitution owed to the Prosecuting Attorney is not maintained and monitoring procedures related to restitution amounts owed are not adequate. The Prosecuting Attorney's office is in the process of transferring all unpaid restitution cases from an old computer system to a new computer

system. The office manager stated that while they are in the process of performing this transfer, the office has not taken action on past due restitution amounts not yet recorded in the new system. Our review of restitution cases with amounts owed noted 4 of 10 cases reviewed that were not yet in the new computer system for which appropriate action has not been taken by the Prosecuting Attorney. The last court ordered restitution report printed from the Prosecuting Attorney's old computer system, dated April 11, 2007, identified amounts due of approximately \$200,000. A court ordered restitution report printed from the Prosecuting Attorney's new computer system, dated January 28, 2008, identified amounts due of approximately \$46,000. A complete and accurate listing of court ordered restitution amounts would allow the Prosecuting Attorney to more easily monitor amounts due and to take appropriate steps to ensure amounts owed are collected on a timely basis.

- B. The Circuit Court does not fully utilize the capabilities of the JIS to track and collect all court ordered restitution owed. Court ordered restitution is collected by both the Circuit Clerk and Prosecuting Attorney. Circuit Clerk personnel enter all court ordered restitution to be collected by the Circuit Clerk, as well as payments made, into the JIS. However, court ordered restitution to be collected by the Prosecuting Attorney is not entered into the JIS, but is tracked and collected separately by the Prosecuting Attorney. The Circuit Clerk indicated that effective July, 1, 2008, the Court will utilize the Debt Collection Program provided through the Office of State Courts Administrator. This program allows for the collection of any past due court ordered restitution as long as the offender is on probation. In addition, accrued court ordered restitution due to the state or a political subdivision entered in the JIS is currently subject to the Department of Revenue's Debt Offset Program. While it is a common practice for Prosecuting Attorneys to collect court ordered restitution, tracking the restitution in the JIS would provide a method for additional collection efforts. In addition, entering all court ordered restitution into the JIS would provide a complete centralized record of all court action and transactions related to each case.

WE RECOMMEND:

- A. The Prosecuting Attorney continue to work on updating the new computer system to maintain a complete listing of unpaid court ordered restitution and routinely follow-up and pursue timely collection of these monies.
- B. The Circuit Clerk and Prosecuting Attorney work together to ensure all court ordered restitution is entered and tracked in the JIS to enhance collection efforts.

AUDITEE'S RESPONSE

The Prosecuting Attorney indicated:

- A. *In all fairness to the Prosecuting Attorney's office, up until the crash of the computer program, the office had no problem monitoring restitution cases for payment. Prior audits should reflect that. During this audit, the office was in the process of getting the system in place and inputting the restitution case data so that the office could continue monitoring the payments. No one came back from the audit team to check the status of this matter. As of this date, the office has entered all restitution cases that are active and are monitoring them for collection. The office also is now able to retrieve old case data from the crashed program for comparison in monitoring all restitution cases. This concern has been addressed.*
- B. *As to whether the JIS system is used to collect all restitution in regard to the Prosecutor's Office, this would be an idea for discussion with input from the Prosecuting Attorney and Circuit Clerk offices as well as the Judge. This office has no problem with taking this into consideration, but would prefer to discuss this matter with the Circuit Clerk and make this decision at a later date after all factors as to the work load and efficiency are all considered. The JIS system has not been trouble-free and, as you noted, now carries the potential for added financial burden to the defendants. The primary responsibility is to effectively collect restitution for the victims. I will take this suggestion under advisement at this time.*

The Circuit Clerk indicated she has reviewed with the Circuit Judge and the Associate Circuit Judge the finding and recommendation, regarding the Prosecuting Attorney's audit report, as to comments pertaining to the Circuit Clerk. The Circuit Court does fully utilize the capabilities of the court's computer system known as JIS. It is ultimately the decision of the Judge as to if and when the Circuit Clerk is directed to collect and disburse court ordered restitution. Therefore, the Circuit Court's policy for collecting court ordered restitution will remain the same at this time. The Circuit Clerk will, however, discuss the recommendation with the Prosecuting Attorney.

9. County Clerk's Controls and Procedures
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Rediform receipt slips rather than official prenumbered receipt slips are issued for monies received by the County Clerk's office and receipt slips are issued only upon request. Also, notary fees are recorded at the end of month rather than when received. Furthermore, restrictive endorsements are not applied to checks by the County Clerk immediately upon receipt. Instead, the checks are endorsed by the County Treasurer when transmitted to him on a monthly basis. Approximately \$3,000 and \$2,000 was transmitted to the County Treasurer during the years ended December 31, 2007 and 2006, respectively, from the sale of maps, plat books, voter information requests, liquor merchant licenses, notary fees, and photocopies.

To ensure proper accountability and adequately safeguard all monies received, official prenumbered receipt slips should be issued for all monies received, all receipts should be recorded on the fee sheet in a timely manner, and checks should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the County Clerk issue official prenumbered receipt slips immediately upon receipt for all monies received, record all monies on the fee sheet in a timely manner, and restrictively endorse checks immediately upon receipt.

AUDITEE'S RESPONSE

The County Clerk indicated this recommendation has been fully implemented. Official prenumbered receipts are issued for all monies received, all fees are recorded on the fee sheet when received, and checks are endorsed upon receipt.

10. Assessor's Accounting Controls and Procedures
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Rediform receipt slips rather than official prenumbered receipt slips are issued for monies received by the Assessor's office. In addition, some receipt slips issued did not include the payor's name. Approximately \$4,000 was transmitted to the County Treasurer during each of the years ended December 31, 2007 and 2006, from the sale of maps, information requests, and photocopies.

To ensure proper accountability of all monies received and adequately safeguard all monies received, official prenumbered receipt slips should be accurately completed and issued for all monies received, and monies should be properly secured in a locked location until transmitted.

WE RECOMMEND the Assessor issue official prenumbered receipt slips immediately upon receipt for all monies received.

AUDITEE'S RESPONSE

The Assessor indicated he presently issues prenumbered receipt slips. All receipt slip numbers are accounted for and receipts are reconciled with the County Treasurer. He does not think it would be cost effective to have a printer preprint receipt slips for his office due to the number of receipt slips issued. The current method was recommended by a prior state audit team.

11. E-911 Accounting Controls and Procedures

Procedures related to the collection of map and sign receipts need improvement. Rediform receipt slips rather than official prenumbered receipt slips are issued for monies received by the E-911 office. In addition, the change fund is not maintained at a constant amount. To ensure proper accountability of all monies received, official prenumbered receipt slips should be issued for monies received and the change fund should be maintained at a constant amount. Approximately \$1,500 and \$2,700 was transmitted to the County Treasurer during the years ended December 31, 2007 and 2006, respectively, from the sale of maps, information requests, and photocopies.

WE RECOMMEND the E-911 Director issue official prenumbered receipt slips and maintain the change fund at a constant amount.

AUDITEE'S RESPONSE

The E-911 Director indicated that he still uses rediform receipt slips. However, on the next receipt slip after a turnover, he indicates the amount turned over to the County Treasurer with a break down of cash and checks and the balance remaining in the change fund. The Director indicated he will check into the cost of obtaining official receipt slips.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

BENTON COUNTY
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Benton County on findings in the Management Advisory Report (MAR) of our prior audit report issued for the 2 years ended December 31, 2003.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Financial Condition

The county's General Revenue Fund was experiencing a declining cash balance.

Recommendation:

The County Commission continue to closely monitor the county's financial condition and consider various alternatives of increasing receipts and/or reducing disbursements of the General Revenue Fund.

Status:

Partially implemented. The County Commission meeting minutes indicate the County Commission performs monthly reviews of budget to actual amounts, as well as periodic reviews of fund balance reports provided by the County Treasurer. However, there was a decline in the General Revenue Fund's estimated 2008 cash balance. Although not repeated in the current MAR, our recommendation remains as stated above.

2. Excess Expenditures

Various county officials did not properly monitor budget and actual expenditures.

Recommendation:

The County Commission not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended and filed per state law.

Status:

Not implemented. The County Commission periodically reviews budget progress reports for all budgeted funds held by the County Treasurer. While the County Commission amended the budgets for several funds during the two years ended December 31, 2007, warrants were still authorized in excess of budgeted expenditures in the Insurance, DARE, E-911, and Law Library Funds for 2007 and in the Juvenile Detention, DARE, and Law Library Funds for

2006. According to the County Commission, in 2007, warrants exceeded budgeted expenditures in the Insurance Fund due to the rising cost of healthcare. A review of the E-911 Fund budget noted the same occurrence. Although the Law Library Fund is in the custody of another official who administers the transactions of that fund, the County Commission did not require periodic budget progress reports from that official. Although not repeated in the current MAR, our recommendation remains as stated above.

3. E911 Building Project

- A. In March 2003, the county hired an architect to design and administer the construction of a building to house the E911 operations. The criteria used to evaluate the various firms and selection procedures were not adequately documented by the county.
- B. In December 2003, the county hired a contractor to construct the E911 center for approximately \$609,000. The county did not solicit new or modified construction bids for significant building design changes made after bids on the original design were opened.

Recommendations:

The County Commission:

- A. Maintain documentation in the meeting minutes of criteria considered in awarding contracts.
- B. Consider soliciting bids on significant design changes when necessary on future construction projects.

Status:

- A. Not implemented. See MAR finding number 5.
- B. No construction projects were noted during our review of expenditures. However, see MAR finding number 5 for comments related to bidding.

4. Associate Commissioner Salaries

In 1999, mid-term raises were given to the Associate Commissioner. As part of legislation passed in the 1997 legislative session, Section 50.333.13, RSMo, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. On May 15, 2001, the Missouri Supreme Court handed down an opinion that held this section of statute violated Article VII, section 13 of the Missouri Constitution. The Benton County Salary Commission minutes did not specifically address the provisions of Section 50.333.13, RSMo, but did provide that all officials taking office in 1999 would receive 100 percent of the maximum salaries.

Recommendation:

The County Commission review the impact of this court decision and develop a plan for obtaining repayment of any salary overpayments.

Status:

Partially implemented. In a letter dated April 1, 2005, the County Commission indicated they consulted with the Prosecuting Attorney and reviewed the audit recommendation with the Associate Commissioners. They stated that in absence of a clear directive from the State Attorney General's Office and the County Prosecuting Attorney, the decision to repay became an individual Associate Commissioner decision and the county did not plan to take the matter to court. The County Clerk confirmed as of March 2008, there have been no repayments of salary overpayments received by the county and payments are not expected. Although not repeated in the current MAR, our recommendation remains as stated above.

5. County Treasurer's Controls and Procedures

- A. Monthly bank reconciliations had not been properly prepared or documented.
- B. No monies had been distributed from the Land Tax Sale Overplus Fund to various school districts since late 2002.
- C. The County Treasurer prepared no semiannual settlements since taking office in January 2003.

Recommendations:

The County Treasurer:

- A. Prepare and document proper monthly bank reconciliations.
- B. Disburse \$5,300 from the Land Tax Sale Overplus fund to the school districts, maintain a liability listing for the Land Tax Sale Overplus Fund, and ensure distributions from the fund are made on a timely basis.
- C. Prepare settlements semiannually as required by law.

Status:

- A. Not implemented. See MAR finding number 7.
- B. Partially implemented. The \$5,300 identified during the prior audit was disbursed during the year ended December 31, 2004. The County Treasurer does not maintain a liability listing for the Land Tax Sale Overplus Fund. Instead, each December he works with the County Collector to determine which monies have been held in the Fund for over three years and disburses the monies to various school districts. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Partially implemented. The County Treasurer prepared settlements in 2006 and an annual settlement for the year ended December 31, 2007. However, he did not prepare a semi-annual settlement as of June 30, 2007, and the 2007 annual settlement was not complete or accurate. See MAR finding number 7.

6. County Collector's Controls and Settlements

- A. The County Collector did not prepare timely bank reconciliations and did not reconcile the bank balances to liabilities.
- B. The County Collector did not adequately follow up on checks that were outstanding for a considerable time.
- C. The County Collector continued to distribute surtax collections using percentages calculated for distributing the 1985 collections and had not recalculated the surtax distribution percentages each year as required by state law.
- D. The County Collector had no written agreement to provide property tax collection services for the City of Warsaw. The written agreements with the cities of Cole Camp and Ionia were executed in 1986 and 1989, respectively.
- E. The County Collector had not distributed the interest earned on bank deposits on a timely basis. Interest earned from March 2000 through February 2004, totaling in excess of \$36,000 had not been distributed.
- F. The County Collector did not adequately monitor some bank account balances for sufficiency of pledged collateral securities or commercial insurance.
- G.1. The County Collector did not file annual settlements with the County Commission on a timely basis.

2. Various errors and omissions occurred in the annual settlements filed for the years ended February 28, 2003, 2002, and 2001.
3. The County Commission did not review the annual settlements prepared by the County Collector.

Recommendations:

- A. Prepare monthly bank reconciliations and reconcile the cash balance to listings of liabilities.
- B. Attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law.
- C. Ensure future distributions of surtax collections take into consideration the current year's assessed valuation of subclass 3 commercial property for each political subdivision as required by state law.
- D. Work with the County Commission to obtain current written agreements with the cities for tax collections.
- E. Allocate interest earned on bank deposits in a timely manner.
- F. Monitor and ensure adequate collateral securities are pledged by the depository banks for all funds on deposit in excess of FDIC coverage.
- G. File complete and accurate annual settlements on a more timely basis. In addition, the County Commission should use the account book to verify the annual settlements of the County Collector.

Status:

- A&B. Not implemented. The County Collector prepares bank reconciliations for six of nine bank accounts maintained for her office. These include two general property tax accounts, the protest tax account, credit card payment account, tax maintenance account, and tax sale redemption account. However, bank reconciliations have not been prepared for the two on-line payment bank accounts or an old general property tax account. In addition, the County Collector does not prepare open items (liability) listings for any accounts. No action has been taken on old outstanding checks related to a general property tax account maintained by the previous County Collector. See MAR finding number 2.
- C-E. Not implemented. See MAR finding number 2.

- F. Implemented.
- G. Partially implemented. The prior Collector did not file the annual settlement for the year ended February 28, 2006, in a timely manner. The current County Collector filed annual settlements for the years ended February 28(29), 2008 and 2007, in May 2008 and May 2007, respectively. However, various errors and omissions were noted in the annual settlement for the year ended February 28, 2007. In addition, the County Commission indicated they do not review or verify the annual settlements of the County Collector. See MAR finding number 2.

7. Sheriff's Accounting Controls

- A. Accounting and bookkeeping duties were not adequately segregated.
- B. Monthly listings of open items (liabilities) were not prepared and reconciled to the cash balance.
- C. Receipts were not deposited on a timely basis.

Recommendations:

- A. The Sheriff segregate accounting and bookkeeping duties to the extent possible, or at a minimum, perform and document periodic reviews of the work performed.
- B. The Sheriff prepare monthly listings of open items and reconcile the listings to the cash balance. Differences should be investigated and any monies remaining unidentified should be disposed of in accordance with state law.
- C. The Sheriff deposit receipts intact daily or when accumulated receipts exceed \$100.

Status:

Not implemented. See MAR finding number 1.

8. Healthcare Center's Budgets

The Health Center's budget document did not adequately project the anticipated financial position for the Health Center Fund.

Recommendation:

The Health Center Board of Directors prepare reasonable estimates of disbursements so that projected reserves are more properly presented in the annual budgets. If the Board desires to build up reserves for future specific needs, this information should be documented in the budget.

Status:

The health center was not included in the scope of the current Benton County audit pursuant to Attorney General's Opinion No. 87, 2007, to Montee.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

BENTON COUNTY
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Benton County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Warsaw.

Benton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 17,180 in 2000. The assessed valuation for the year ended December 31, 2007, was:

Real estate	\$ 153,877,600
Personal property	51,683,666
Railroad and utilities	12,407,359
Total	<u>\$ 217,968,625</u>

Assessed valuations and tax rate levies for political subdivisions within the county are included in the annual review of property tax rates issued by the state auditor; see Report No. 2007-91.

Benton County has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	
General	\$.0050	None	50	%
Capital improvements	.0050	2011	None	
Law Enforcement – E-911	.00375	None	None	
Local Use Tax	.01375	None	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2008	2007
County-Paid Officials:	\$	
Mark Breshears, Presiding Commissioner		29,060
Tom Henderson, Associate Commissioner		27,060
Walter Schumacher, Jr., Associate Commissioner		27,060
Mary Lutman, County Clerk		41,000

Karen Coffey Woodley, Prosecuting Attorney	96,000
Rick Fajen, Sheriff	45,000
Rick Renno, County Treasurer	41,000
James A. Miller, County Coroner	13,000
Wayne Linhardt, Public Administrator	25,000
Donna Hart, County Collector (1), year ended February 29,	46,399
Rodger L. Reedy, County Assessor (2), year ended August 31,	41,688
Jesse Wininger, County Surveyor (3)	

(1) Includes \$5,399 of commissions earned for collecting city property taxes.

(2) Includes \$688 annual compensation received from the state.

(3) Compensation on a fee basis.

State-Paid Officials:

Cheryl Schultz, Circuit Clerk and Ex Officio Recorder of Deeds	51,197
Larry Burditt, Associate Circuit Judge	101,090

The county has entered into several lease purchase agreements for road and bridge equipment. At December 31, 2007, the principal balance of the leases totaled approximately \$338,000. Principal and interest payments are made from the Special Road and Bridge Fund.

The county also entered into a lease purchase agreement for E-911 equipment in September 2004. At December 31, 2007, the principal balance of the lease was approximately \$104,000. Principal and interest payments are made from the E-911 Fund.