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Missouri State Auditor

St. Clair County



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YELLOW SHEET

Findings in the audit of St. Clair County

Financial Condition	The financial condition of the General Revenue Fund is deteriorating. The costs of operating the jail increased from approximately \$1,467,100 in 2001 to \$2,286,700 in 2008, and administrative service fee transfers have not been made from the Special Road and Bridge Fund to the General Revenue Fund since 2002. A potentially significant liability of approximately \$85,700 exists as a result of accumulated compensatory and holiday time for personnel of the Sheriff's office.
County Procedures	Records of fuel usage by the Road and Bridge Department and the Sheriff's office are not adequately reviewed. Inventory records are not maintained to account for plat books, other than a log maintained by the County Clerk's office of plat books given away.
Capital Assets	Procedures and records to account for county property are not adequate.
Circuit Clerk's Procedures	Receipts are not deposited on a timely basis, and follow up on outstanding checks is not routinely performed.
Prosecuting Attorney's Procedures	The secretary performs all duties of receiving, recording, and transmitting monies. Bad check fees are not transmitted to the Treasurer in a timely manner. Money orders received for restitution of bad checks are not deposited but are instead forwarded directly to the victim; and documentation ensuring payment was received is not obtained from the victim. Rather than issuing an official computer generated receipt slip, the secretary makes a photocopy of the money orders which she signs and dates for all walk-in payors. In addition, payments recorded on the computer are not reconciled to transmittals. An adequate system to account for the disposition of all bad checks submitted to the office for collection has not been established.
Sheriff's Procedures	Prior audit reports have addressed the inadequacy of the Sheriff's procedures. Improvements have not been made and significant weaknesses still exist. Accounting duties are not adequately segregated in the Sheriff's office. Procedures do not exist to identify month-end liabilities and reconcile liabilities to the inmate fund bank account. Inventory records are not maintained of prepaid telephone cards. We also noted an error had been made when calculating the turnover amount for July 2007 which resulted in \$2,250 in commissions not being turned over to the county. Receipts are not deposited on a timely basis. The Sheriff could not provide any authorization to support continued collection of a bond processing fee after the statute authorizing the fee was repealed.

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St. Clair County Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition 4
	2. County Procedures 5
	3. Capital Assets 7
	4. Circuit Clerk's Procedures 8
	5. Prosecuting Attorney's Procedures 9
	6. Sheriff's Procedures 12

Organization and Statistical Information	16
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Missouri State Auditor

To the County Commission
and
Officeholders of St. Clair County

We have audited certain operations of St. Clair County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn, & Moots, P.C., Certified Public Accountants, has been engaged to audit the financial statements of St. Clair County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

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. 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 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 St. Clair County.



Susan Montee, JD, CPA
State Auditor

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St. Clair County Management Advisory Report State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue Fund is deteriorating. The following table reflects the financial activity of the General Revenue Fund over the last 4 years and the projected activity for 2009:

		Year Ended December 31,*				
		2009	2008	2007	2006	2005
		Budgeted	Actual	Actual	Actual	Actual
Cash Balance, January 1	\$	598,673	647,422	1,028,548	1,214,049	1,199,527
Receipts		3,691,484	3,780,018	3,573,146	3,541,685	3,702,459
Disbursements		(3,835,564)	(3,828,767)	(3,954,272)	(3,727,186)	(3,687,937)
Cash Balance, December 31	\$	454,593	598,673	647,422	1,028,548	1,214,049

* The 2009, 2006, and 2005 amounts were obtained from the county budget documents. The 2008 and 2007 amounts were obtained from the county's audited financial statements.

Disbursements exceeded receipts in part due to increasing costs of operating the Sheriff's office and the jail. Over \$2 million is received each year for housing federal prisoners. The per diem rate reimbursed by the federal government has not changed since 2001, while the costs of operating the jail increased from approximately \$1,467,100 in 2001 to \$2,286,700 in 2008.

The following are additional factors which should be considered:

- Administrative service fee transfers have not been made from the Special Road and Bridge Fund to the General Revenue Fund since 2002. Section 50.515, RSMo, allows an administrative service fee to be imposed on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services to the Special Road and Bridge Fund, and shall not exceed five percent of the Special Road and Bridge Fund budget. Five percent of 2008 Special Road and Bridge Fund actual disbursements is approximately \$53,000.
- A potentially significant liability exists as a result of accumulated compensatory and holiday time for personnel of the Sheriff's office. Approximately \$85,700 (approximately 7,800 hours) had accumulated in employee compensatory and holiday time balances as of December 31, 2008. This condition was noted in our prior audit report.

Some restricted special revenue funds administered by elected officials have accumulated balances significantly in excess of historical actual disbursements. Consideration should be given to working with these officials to use these monies to fund the respective office's expenses, within the restrictions set forth by state law, which are currently funded by the General Revenue Fund.



St. Clair County
Management Advisory Report - State Auditor's Findings

The County Commission indicated it is aware of the concern and is monitoring the county's financial condition through preparation and review of monthly budget reports. To maintain the financial condition of the General Revenue Fund, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of resources available to the county, and attempt to maximize all sources of receipts.

Recommendations

The County Commission closely monitor the county's financial condition and take the necessary steps to maintain or improve the financial condition of the General Revenue Fund by reviewing disbursements and reducing discretionary spending where practical and maximizing all sources of receipts. In addition, the County Commission should work with the Sheriff to develop and implement a plan to reduce the county liability for compensatory and holiday time by allowing time off or paying for accumulated compensatory time and work to better control additional compensatory time earned.

Auditee's Response

The County Commission provided the following response:

We are monitoring the situation. An administrative service fee transfer of \$10,000 was made in 2009 from the Special Road and Bridge Fund which is less than the 5 percent allowable but all that we can do at this time. We have discussed the per diem rate for the jail with the Sheriff and other counties' rates are less than what we are currently receiving. We have discussed and will continue to discuss with the Sheriff the leave earned and taken to monitor the liability. At the County Commission's request, officials in control of special revenue funds have budgeted more expenses to be paid from those funds rather than the General Revenue Fund. We are aware of the financial condition that we are in and this was considered when preparing the 2009 budget and will also be considered as we are working on the 2010 budget.

2. County Procedures

Records of fuel usage for county vehicles and equipment are not adequately reviewed, and plat books are not accounted for properly.

2.1 Fuel usage

Records of fuel usage by the Road and Bridge Department and the Sheriff's office are not adequately reviewed. Gallons of fuel purchased are not reconciled to gallons dispensed.

During the 2 years ended December 31, 2008, the county spent approximately \$212,000 for fuel for 12 trucks and a number of other pieces of heavy equipment used by the Road and Bridge Department. Procedures provide for the Road and Bridge employees to record the mileage or hour reading and the amount of fuel pumped for each vehicle or piece of



St. Clair County
Management Advisory Report - State Auditor's Findings

equipment on vehicle maintenance logs which are turned into the County Clerk's office. At the end of the month, the Road and Bridge Supervisor submits a fuel usage report to the County Commission that includes the number of gallons of gas or diesel used in four categories of equipment; however, information regarding odometer or operating hour readings needed to review the reasonableness of the fuel usage, is not included. In addition, while there are meters on the two bulk fuel tanks, there are no logs maintained of fuel dispensed from the tanks. Complete fuel inventory records are needed to compile data required to perform effective reviews and reconciliations. While the County Clerk's office has prepared a spreadsheet of fuel purchased by the Road and Bridge Department from paid invoices and fuel used from the Road and Bridge Supervisor's fuel usage report, this spreadsheet is not routinely reviewed by the County Commission and there is no procedure to reconcile purchases to use. The spreadsheet indicated 32,642 gallons of diesel and 3,692 gallons of gasoline were purchased but only 31,088 gallons of diesel and 2,931 gallons of gasoline were used.

During the 2 years ended December 31, 2008, the county spent approximately \$150,000 for fuel for the 17 vehicles used by the Sheriff's office. The fuel dispensed from the Sheriff's office tank is recorded in the dispatch log. The Sheriff indicated he periodically compares the amount of fuel recorded with the amount of fuel purchased, but this review is not documented.

To ensure the reasonableness and propriety of fuel usage and disbursements, the county should develop procedures for reviewing fuel used and reconciling usage to fuel purchased and on hand. Failure to account for fuel usage could result in loss, theft, or misuse going undetected.

A similar condition was noted in our prior audit report.

2.2 Plat books

Inventory records are not maintained to account for plat books, other than a log maintained by the County Clerk's office of plat books given away. Seven hundred plat books were purchased in February 2007 at a cost of approximately \$16,000 (approximately \$23 each). These plat books are sold for \$30 each and approximately \$11,500 was received from sales in 2007 and 2008.

To ensure all monies collected are accounted for adequately, the County Clerk should reconcile the number of plat books on hand to the total number of plat books sold or given away. Any differences should be investigated.



St. Clair County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 2.1 Ensure the various fuel usage records are periodically reviewed for completeness and reasonableness of usage and reconciled to fuel purchased and on hand.
- 2.2 And the County Clerk maintain adequate and complete records of the number of plat books sold, given away, or used by the county and periodically reconcile the number of plat books reported on the inventory to the number of plat books on hand.

Auditee's Response

The County Commission provided the following response:

- 2.1 *We will review the records we have to see what is there and determine how best we can improve on these records in order to perform better reviews to ensure fuel used is reasonable.*

The County Commission and the County Clerk provided the following response:

- 2.2 *A record of the number of plat books sold, given away, or used will be maintained and reconciled periodically to the inventory of plat books on hand.*

3. Capital Assets

Procedures and records to account for county property are not adequate.

The County Clerk maintains inventory lists of capital assets held by county officials. The property records maintained do not always include some necessary information such as purchase dates, acquisition costs, and serial numbers. To aid in the recordkeeping process, the County Clerk sends a copy of the inventory lists to each elected official and department head annually to adjust for items added or disposed of; however, a list was not provided in 2008 and not all of the offices returned the lists to the County Clerk's office in 2007. In addition, the County Clerk attempts to make a copy of invoices for capital asset purchases as the invoices are paid and uses the invoices to record capital assets on the inventory lists. However, the County Clerk's inventory records did not reflect the purchase of 12 replacement patrol vehicles costing over \$250,000 during 2007 and 2006. Also, capital asset dispositions are not tracked as they occur.

Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk. Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance



St. Clair County
Management Advisory Report - State Auditor's Findings

coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to inventory reports from the various county departments would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets.

A similar condition was noted in our prior report.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and ensure capital assets purchases and dispositions are tracked throughout the year.

Auditee's Response

The County Commission and the County Clerk provided the following response:

We will attempt to do a better job on keeping capital asset records and ensuring annual inventories are conducted. In addition, we will attempt to track capital assets purchases and dispositions as they occur.

4. Circuit Clerk's Procedures

Procedures related to deposits and outstanding checks are in need of improvement. Circuit Clerk receipts totaled approximately \$560,600 in 2008 and \$494,100 in 2007 for civil and criminal case fees, fines, and bonds.

4.1 Deposits

Receipts are not deposited on a timely basis. Monies are generally deposited once a week. Five deposits each from 2008 and 2007 were reviewed and deposits averaged approximately \$8,200 for December 2008 (cash averaged approximately \$900) and \$9,900 for July 2007 (cash averaged approximately \$1,400). To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited on a timely basis.

4.2 Outstanding checks

Follow up on outstanding checks is not routinely performed. As a result, at July 31, 2009, 53 checks totaling \$3,275 had been outstanding for over one year. The oldest outstanding check dates back to 2003. Old outstanding checks create unnecessary recordkeeping responsibilities.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Circuit Clerk:

- 4.1 Deposit monies in a timely manner.



St. Clair County
Management Advisory Report - State Auditor's Findings

- 4.2 Routinely follow up on outstanding checks. In addition, old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

The Circuit Clerk provided the following responses:

- 4.1 *Depositing once a week works best for us. Running reports to check the deposits and to ensure the deposits are accurate does take some time, so it would be preferable to continue to deposit weekly. We do make a deposit when an extra large amount of cash has been received such a large bond.*
- 4.2 *We have been reviewing the old checks and some have been reissued and some have been turned over as unclaimed. We will continue to review these old checks to determine if they should be reissued or turned over as unclaimed. Currently, the oldest check we have dates back to 2005.*

5. Prosecuting Attorney's Procedures

Procedures related to supervisory review, transmittal of fees, bad check restitution, monthly reports of fees, and tracking procedures are in need of improvement. Prosecuting Attorney receipts totaled approximately \$33,900 in 2008 and \$30,100 in 2007 for bad check restitution and fees.

5.1 Supervisory review

The secretary performs all duties of receiving, recording, and transmitting monies. Because the secretary is primarily responsible for all accounting functions of the office, routine and thorough supervisory reviews are essential. While the Prosecuting Attorney does review the monthly report of fees turned over to the County Treasurer and the bad check case files, she does not perform detailed reviews of other records, such as comparing transmittal amounts to receipt reports generated from the computer system. Such comparisons would improve the effectiveness of the supervisory review and reduce the possibility of errors, loss, or misuse of funds going undetected.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be strengthened by the Prosecuting Attorney expanding her supervisory reviews to include the receipting and recording functions, and improving her review of the transmitting function. Documentation of such reviews is necessary to demonstrate their performance.

5.2 Transmittal of fees

Bad check fees are not transmitted to the Treasurer in a timely manner. Fees are held and transmitted to the Treasurer once a month. The average transmittal amount during 2008 and 2007 was \$750. In addition, although



St. Clair County
Management Advisory Report - State Auditor's Findings

only money orders are accepted for payments, the money orders are not restrictively endorsed.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, transmittals should be made on a timely basis. In addition, money orders should be restrictively endorsed immediately upon receipt.

5.3 Bad check restitution

Money orders received for restitution of bad checks are not deposited but are instead forwarded directly to the victim; and documentation ensuring payment was received is not obtained from the victim. To ensure payments are received by the proper party, documentation, such as a receipt slip, should be obtained when monies are transmitted via a money order. Failure to do so increases the risk that loss, theft, or misuse of funds will not be detected on a timely basis.

5.4 Monthly reports of receipts

Rather than issuing an official computer generated receipt slip, the secretary makes a photocopy of the money orders which she signs and dates for all walk-in payors. Later, payments are posted to the computer. In addition, payments recorded on the computer are not reconciled to transmittals to the Treasurer for Prosecuting Attorney bad check fees and Missouri Office of Prosecution Services (MOPS) fees. Instead of generating receipt reports which include receipt slip numbers from the computer system to reconcile to transmittals, the secretary uses the MOPS turnover report which does not include receipt slip numbers and the only total is for the MOPS fees even though the report does include the total fees received for each bad check individually.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, official computer generated receipt slips should be issued immediately upon receipt and reports of receipts should be generated from the computer system and reconciled to transmittals. In addition, the numerical sequence of receipt slips should be accounted for properly.

5.5 Tracking procedures

An adequate system to account for the disposition of all bad checks submitted to the office for collection has not been established. Currently, merchants complete an unnumbered complaint form when the bad check is turned over to the Prosecuting Attorney for collection. Information from the complaint form is entered into the computer system, and the complaint form and information regarding the handling of the case is maintained in the individual case file. A sequential tracking number is not assigned although there is a field available for such information to be entered on the computer. Without a tracking procedure, there is no assurance all bad check complaint forms are entered into the computer system.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned



St. Clair County
Management Advisory Report - State Auditor's Findings

to each bad check complaint form or bad check received. This number should be used to track the status and disposition of the corresponding bad check, either through the use of a manual log or by utilizing the computer system.

Similar conditions
previously reported

Similar conditions to points 5.1, 5.3, and 5.5 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 5.1 Expand supervisory reviews to include periodic documented reviews of the receipting and recording functions, and improve the review of the transmitting function.
- 5.2 Transmit fees to the County Treasurer in a timely manner and restrictively endorse money orders upon receipt.
- 5.3 Obtain documentation of money orders turned over directly to victims.
- 5.4 Require receipt slips be issued immediately and account for the numerical sequence of receipt slips. Reports of receipts posted to the computer system should be generated and reconciled to transmittals.
- 5.5 Develop procedures and records that provide sufficient information to track the disposition of all bad check complaints filed with the Prosecuting Attorney's office.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 5.1 *We need to review the bad check program to see what the capabilities of the program are and to use those capabilities in order to improve on the supervisory review of the records.*
- 5.2 *We will transmit more often when there are a lot of monies on hand. This may still be monthly in some instances.*
- 5.3 *We will consider having vendors who pick up the money orders in our office sign for the money orders turned over. We will consider what to do for the money orders that are mailed.*
- 5.4 *The secretary is generating a receipt slip for the payee if time permits. Most of the time, payments are received during court and my secretary is busy helping me with court and does not have the*



St. Clair County
Management Advisory Report - State Auditor's Findings

time needed to process the receipt on the computer. We will consider what can be done to improve this and we will also generate a report of receipts posted and reconcile to the transmittals.

5.5 *We will review the bad check program to see how best to develop a tracking system of all bad check complaints.*

6. Sheriff's Procedures

Prior audit reports have addressed the inadequacy of the Sheriff's procedures. Improvements have not been made and significant weaknesses still exist. Procedures regarding segregation of duties, inmate monies, telephone cards, deposits, and bond fees are in need of improvement. Sheriff receipts totaled approximately \$220,200 in 2008 and \$232,400 in 2007 for bonds, civil and criminal fees, and other miscellaneous receipts. In addition, inmate commissary account receipts were approximately \$190,900 in 2008 and \$204,200 in 2007.

6.1 Segregation of duties

Accounting duties are not adequately segregated in the Sheriff's office. One clerk maintains the fee account and another clerk maintains the inmate fund account. Each clerk is primarily responsible for maintaining accounting records, preparing checks and deposit slips, and preparing the month-end reconciliations. The Sheriff indicated he reviews the bank reconciliations periodically; however, he does not document his reviews.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing a documented supervisory review of records by the Sheriff.

6.2 Inmate monies

Procedures do not exist to identify month-end liabilities and reconcile liabilities to the inmate fund bank account. The Sheriff's office uses a computer program to maintain records of inmate monies received, commissary purchases made, and available cash balances. Any remaining personal monies are paid to the inmate upon release. Vendor invoices for commissary items and prepaid telephone cards are paid from this account. Inmate commissary profits consist of discounts received from the commissary and prepaid telephone card vendors. The inmate accounts are charged full price for the commissary items, and the vendors charge the Sheriff a discounted price. Profits are paid to the County Treasurer monthly with half deposited into the General Revenue Fund and half deposited into the Sheriff's Commissary Fund.

At our request, the Sheriff's office generated an inmate account balance status report as of December 31, 2008. The reconciled cash balance at December 31, 2008, was \$13,487 and exceeded the \$4,863 total of inmate



St. Clair County
Management Advisory Report - State Auditor's Findings

account balances and a \$2,250 error (see section 6.3) by \$6,374. Also, other telephone card activity impacts the ability to reconcile; however, the records are not sufficient to determine if this accounts for the unidentified balance.

Monthly reconciliations of liabilities and individual inmate balances to the reconciled bank balance along with maintaining records of profits are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis.

6.3 Telephone cards

Inventory records are not maintained of prepaid telephone cards. Batches of telephone cards are periodically purchased from the telephone card vendor and maintained by the clerk until purchased by inmates. In addition, the vendor provided the Sheriff's office with 500 complimentary telephone cards valued at \$5,000 in January 2007. The Sheriff's office purchased or received telephone cards valued at approximately \$185,000 during the 2 years ended December 31, 2008.

Commissions from the sale of telephone cards and commissary items are paid over to the County Treasurer monthly. The clerk keeps track of these transactions in a commissary ledger. Our review of this ledger for the audit period revealed a notation that \$5,000 in commissions received from sales of telephone cards received free from the vendor were not turned over to the County Treasurer but were retained in the account to provide a cushion that could be used to purchase additional telephone cards. We also noted an error had been made when calculating the turnover amount for July 2007 which resulted in \$2,250 in commissions not being turned over to the county.

A detailed inventory ledger is necessary to adequately account for telephone cards. Inventory records should document the beginning number of telephone cards, cards purchased, cards sold, and the ending balance of cards. Periodic physical inventory counts should be performed and reconciled to inventory records. Loss, misuse, or theft of the telephone cards may go undetected without adequate inventory records and procedures.

6.4 Deposits

Receipts are not deposited on a timely basis. Monies are deposited once or twice a week. Although daily deposits are prepared for the inmate fund account, multiple deposits are taken to the bank at the same time. During the month of December 2008, there were 21 deposits totaling \$16,237 which were taken to the bank on 8 separate days resulting in an average of approximately \$2,000 deposited per trip to the bank. In addition, deposits for the fee account for December 2008 averaged approximately \$845 (excluding cell block telephone commissions).

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited on a timely basis.



St. Clair County
Management Advisory Report - State Auditor's Findings

6.5 Bond fee

The Sheriff could not provide any authorization to support continued collection of a bond processing fee after the statute authorizing the fee was repealed. Bond processing fees of approximately \$880, collected during the 2 years ended December 31, 2008, were deposited into the county's Sheriff Civil Fund. Although Section 57.280, RSMo 1994, authorized the Sheriff to collect a \$5 fee for taking and returning every bond required by law, this statute was amended and does not contain a provision to collect bond processing fees. Therefore, it appears the Sheriff does not have authority to continue to collect the fee, and should refrain from collecting such fees.

Similar conditions previously reported

Similar conditions to points 6.1, 6.2, and 6.4 were noted in our two prior audit reports and 6.3 was noted in our prior report.

Recommendations

The Sheriff:

- 6.1 Adequately segregate accounting duties to the extent possible or ensure documented supervisory or independent reviews of the accounting records are performed.
- 6.2 Compare individual inmate account balances and various liabilities to the reconciled bank account balance monthly and resolve any discrepancies.
- 6.3 Ensure telephone card perpetual inventory records are maintained and periodically reconciled to a physical inventory. In addition, the Sheriff should ensure \$2,250 is transmitted to the county.
- 6.4 Deposit monies in a timely manner.
- 6.5 Discontinue collecting the bond fee.

Auditee's Response

The Sheriff provided the following responses:

- 6.1 *We will have a third party review the bank reconciliations that are performed by the two clerks related to the fee account and the inmate account in order to have an independent person review the records pertaining to these accounts.*
- 6.2 *We are in the process of determining how to implement this recommendation. Some changes have been made to records to know daily inmate balances and daily telephone card balances. With these changes, we are planning on making other changes so this reconciliation can be performed and discrepancies, if any, can be resolved.*



St. Clair County
Management Advisory Report - State Auditor's Findings

- 6.3 *A perpetual inventory record for telephone cards has been developed. This record will be reconciled to the physical inventory that will be performed periodically. The \$2,250 in commissions will be transmitted to the county.*
- 6.4 *Deposits will be made daily or when approximately \$500 has been received.*
- 6.5 *We will discuss repealing this fee with the County Commission.*

St. Clair County Organization and Statistical Information

St. Clair County is a county-organized, third-class county and is part of the Twenty-Seventh Judicial Circuit. The county seat is Osceola.

St. Clair 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.

Elected Officials and Their Compensation Paid

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

Officeholder	2009	2008
County-Paid Officials:		
Billy Wood, Presiding Commissioner	\$	26,533
Leroy D. Strobe, Associate Commissioner		25,529
Gerald R. Williams, Associate Commissioner		25,529
Pat Speight Terry, Recorder of Deeds		38,322
Debbie Peden, County Clerk		37,080
Joleene V. Wood, Prosecuting Attorney		44,290
Ron Snodgrass, Sheriff		44,330
Gail Ingle, County Treasurer		38,322
C. Randy Sheldon, County Coroner		10,696
Laurie Stinnett, Public Administrator (1)		21,690
Sharon K. Foster, County Collector (2), year ended February 28,	38,749	
Gladys J. Smith, County Assessor (3), year ended August 31,		39,398
State-Paid Officials:		
Barbara A. Taber, Circuit Clerk		52,668
Michael Dawson, Associate Circuit Judge		107,641

(1) Includes \$10,298 of fees from probate cases.

(2) Includes \$39 of commissions earned for collecting city property taxes.

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



St. Clair County
Organization and Statistical Information

Financing
Arrangements

The county entered into a lease agreement with a not-for-profit (NFP) in July 2000 and amended this agreement in July 2001. The terms of the agreement called for the NFP to obtain a United State Department of Agriculture Rural Development Agency guaranteed bank loan of \$1,000,000 for the purpose of constructing a jail addition and for the NFP to lease the jail back to the county for payments totaling the principal and interest due on the twenty year loan and any operating cost incurred. The remaining principal and interest due on the lease-purchase agreement at December 31, 2008 was \$820,644 and \$606,439, respectively.