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Missouri State Auditor

Madison County

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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Madison County

Prosecuting Attorney

Prior audit reports have identified inadequacies in the Prosecuting Attorney's office procedures, and significant weaknesses still exist. The duties of receiving, recording, and depositing monies, and reconciling bank accounts were not adequately segregated or reviewed, providing less assurance all transactions were accounted for properly. The office did not maintain a complete record of monies received, receipts were only issued for monies paid in person, and these were manual receipts which were not always issued in numerical order.

The Prosecuting Attorney's office did not deposit monies timely and intact and could not account for \$12,284 received during the 2 years ended December 31, 2010. As of July 19, 2011, the current Prosecuting Attorney had located 20 undeposited money orders totaling \$1,973. The office also did not maintain adequate records to document monies disbursed to victims or merchants. Our review uncovered \$4,502 which had not been disbursed, and the current Prosecuting Attorney found another \$2,033 in checks which had been written to victims or merchants, but neither voided nor mailed.

Formal bank reconciliations were not documented for the three bank accounts, and liabilities were not identified and reconciled with cash balances, making it unlikely errors would be detected and corrected timely. The Prosecuting Attorney's office did not adequately monitor court ordered restitution due from defendants and only tracked amounts due by making notes on copies of money orders instead of maintaining a complete accounts receivable list.

Sheriff Inmate and Commissary Monies

The Sheriff's Department did not adequately segregate the duties of receiving, recording, and depositing inmate and commissary monies, and the Sheriff did not perform a detailed supervisory review to ensure all monies received were properly deposited or placed in the respective inmates' cash envelopes. The Sheriff did not maintain a receipt log or issue prenumbered receipt slips for inmate monies, so there was no assurance all monies were accounted for properly. Likewise, the Sheriff did not maintain centralized records of commissary sales and receipts, and commissary receipts were not deposited timely and intact, increasing the risk of theft or loss. Similar conditions were noted in our prior audit report.

Public Administrator

The Public Administrator is the court appointed personal representative for wards and decedent estates of the Associate Circuit Court, Probate Division. The Public Administrator signed blank checks for a ward's caretaker to purchase groceries, increasing the risk of misuse, and did not ensure the payees on these checks were accurately reported on the annual settlement. Cash advances were provided to three wards without adequate supporting documentation to show the wards received the monies. In addition, the Public Administrator had not petitioned the court for fees to be paid to the county General Revenue Fund from applicable wards and estates.

Recorder of Deeds	The Recorder of Deeds did not prepare formal bank reconciliations or maintain a book balance and was unaware the book balance was negative \$934 at the end of August 2011. The Recorder of Deeds identified receipts which had been recorded and disbursed twice and was able to resolve the negative balance. The Recorder of Deeds did not ensure the composition of receipts matched the composition of deposits, making it difficult to ensure all monies were properly recorded and deposited.
Computer Controls	Electronic programs and data files in the offices of the County Collector, County Assessor, and Recorder of Deeds are at an increased risk of unauthorized access, because employees are not required to periodically change their passwords, the number of incorrect log-on attempts allowed is not limited, and the computers do not lockout after a certain period of inactivity.
Closed Minutes	The county did not always comply with the Sunshine Law. Reasons for closing meetings, and the corresponding vote to do so, were not always documented, and some topics discussed in closed session were not allowed.

In the areas audited, the overall performance of this entity was **Fair**.* However, the audit revealed serious shortcomings with the Prosecuting Attorney.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Madison County Council for the Developmentally Disabled received \$3,977 under Title V, Section 5001 of the Recovery Act for Medicaid expenditures reported between October 1, 2008, and December 31, 2010.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
Officeholders of Madison County

We have audited certain operations of Madison County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Madison County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. 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 financial transactions.

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 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.

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.

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



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Madison County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney

Prior audit reports have addressed the inadequacy of the Prosecuting Attorney's office procedures and significant weaknesses still exist. The Prosecuting Attorney's office collected various fees related to bad checks, victim restitution, and delinquent taxes totaling approximately \$72,000 and \$100,000 during the years ended December 31, 2010 and 2009, respectively. A new Prosecuting Attorney took office in January 2011.

1.1 Segregation of duties

The duties of receiving, recording, and depositing monies, and reconciling bank accounts are not adequately segregated. One clerk is primarily responsible for all of these duties, and a documented supervisory review of the accounting records is not performed. As a result, there is less assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

1.2 Receipts

The Prosecuting Attorney's office does not maintain a complete record of receipts. The former Prosecuting Attorney did not record receipts consistently. Receipts were sometimes recorded on manual receipt slips, sometimes recorded in the computer system, and sometimes recorded both on manual receipt slips and in the computer system. Beginning in January 2011, the Prosecuting Attorney's office does not use the computer system to issue receipts and only issues manual receipt slips for monies paid in person. Therefore, monies received in the mail are not receipted and there is no overall record of receipts. In addition, the Prosecuting Attorney's office does not always issue receipt slips in numerical order or account for them properly.

To ensure all monies collected are accounted for properly, the office should issue prenumbered receipt slips in sequential order for all monies received.

1.3 Deposits

The Prosecuting Attorney's office does not reconcile the amount and composition of recorded receipts to deposits. The former Prosecuting Attorney also did not deposit intact timely, but normally made deposits once a month. As a result of these control weaknesses, the Prosecuting Attorney's office was not able to account for some monies received.

- During our review of the 118 manual receipts issued during the 2 years ended December 31, 2010, we noted the disposition of monies recorded on 75 manual receipts totaling \$12,284 could not be determined. The Prosecuting Attorney's normal procedure is to deposit monies and issue checks to victims and merchants. We reviewed deposits to all three bank



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accounts for two subsequent months after the receipt dates and did not find where these monies were deposited. In addition, these receipts were not recorded in the computer system.

- As of July 19, 2011, the current Prosecuting Attorney had located 20 undeposited money orders totaling \$1,973, with the oldest dated August 7, 2007.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, the composition of receipts should be reconciled to the composition of deposits and deposits should be made intact and timely.

1.4 Disbursements

The Prosecuting Attorney's office did not always maintain adequate records to document receipts subsequently disbursed to victims or merchants. During our review of receipts and related disbursements, we noted 14 receipts totaling \$4,502 which do not appear to have been disbursed until the Prosecuting Attorney investigated them at our request. For example, \$500 received on February 24, 2011, was not disbursed until October 27, 2011.

In addition, the former Prosecuting Attorney prepared some checks that were not distributed to victims or merchants in a timely manner. As of July 19, 2011, the current Prosecuting Attorney has located six checks (totaling \$2,033) which were written by the former Prosecuting Attorney, but neither voided nor mailed, with the oldest dated January 12, 2009.

The Prosecuting Attorney should follow up on transactions noted in sections 1.3 and 1.4 and take steps to review all receipt and disbursement information to ensure all amounts received have been properly disbursed to victims or merchants. Procedures should be established to ensure receipts are disbursed to the victims or merchants in a timely manner and adequate documentation is maintained.

1.5 Bank reconciliations and liabilities

Numerous control weaknesses were noted related to bank reconciliations and liabilities. At October 31, 2011, the bank balances were \$10,786, \$8,761, and \$16,816 in the bad check, restitution, and special bank accounts, respectively.

Although the current Prosecuting Attorney's assistant indicated she reviews the bank statements to ensure all deposits and checks are included, formal bank reconciliations are not documented for the three bank accounts. Beginning in January 2011, the Prosecuting Attorney's office has not maintained book balances for the three bank accounts. In addition, liabilities are not identified and reconciled with cash balances. Although we requested bank reconciliations and a list of liabilities, they were not provided.



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The former Prosecuting Attorney maintained book balances for all three bank accounts. However, bank reconciliations and lists of liabilities could not be located.

Without maintaining a cumulative book balance and preparing monthly bank reconciliations, there is little assurance cash receipts and disbursements have been properly handled and recorded, or bank or book errors will be detected and corrected in a timely manner. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

1.6 Accounts receivable

The Prosecuting Attorney's office is not adequately monitoring court ordered restitution due from defendants and accounts receivable records need improvement. Cases are not adequately monitored by the current Prosecuting Attorney. Current personnel indicated they rely on the Probation Officer to ensure payment is received for any unpaid amounts. The Prosecuting Attorney's office also does not maintain a complete accounts receivable list. The current Prosecuting Attorney tracks the balance owed through notations made on copies of the money orders received and no other accounts receivable records are maintained. In addition, accounts receivable records maintained by the former Prosecuting Attorney do not always have accurate balances because some payments were not posted or the assessed amount does not agree with the amount ordered by the court. For example, one individual's restitution owed per the accounts receivable records was \$1,465 while the court ordered amount was \$1,200.

Proper monitoring of accounts receivable is necessary to provide information to the judge and improve accountability.

Similar conditions previously reported

Similar conditions to sections 1.2, 1.5, and 1.6 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 1.2 Require prenumbered receipt slips be issued for all monies received and the numerical sequence accounted for properly.
- 1.3 Reconcile the composition of receipts to the composition of deposits and deposit monies intact on a timely basis.



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- 1.4 Follow up on transactions noted in sections 1.3 and 1.4 and review all receipt and disbursement information to ensure all amounts paid have been properly disbursed to victims or merchants. The Prosecuting Attorney should also establish procedures to ensure receipts are disbursed to victims or merchants in a timely manner and adequate documentation is maintained.
- 1.5 Maintain records of account balances, prepare monthly bank reconciliations, and reconcile to lists of liabilities.
- 1.6 Better monitor unpaid restitution and take steps to maximize collections.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 1.1 *My office does not have adequate staff to segregate duties. I will start performing documented reviews.*
- 1.2 *We now issue manual receipt slips for all monies received. We have also started recording all receipts in the computer system.*
- 1.3 *We are now depositing all monies at least weekly and reconciling the composition of deposits to the composition of receipt slips. We will work to resolve the issues with the old outstanding monies.*
- 1.4 *We are now immediately disbursing monies when received. We are working on reviewing receipt and disbursement information.*
- 1.5 *We will start maintaining account balances and performing bank reconciliations in January 2012. We will also work on preparing a list of liabilities.*
- 1.6 *We have developed a centralized accounts receivable log for cases for which payments have been made.*

2. Sheriff Inmate and Commissary Monies

Prior audit reports have addressed the inadequacy of the Sheriff's procedures. Although some improvements have been made, significant weaknesses still exist related to inmate and commissary monies.

The Sheriff operates a jail with a 36 inmate capacity. The Sheriff keeps inmate monies in inmate property envelopes. Monies received, commissary purchases made, and the available cash balance are recorded on a manual record for each inmate. The Sheriff's department purchases commissary items to sell to jail inmates. When inmates purchase items from the commissary, the cash receipts are kept in a lockbox and money orders are kept in a money bag in the vault until deposited to the commissary account



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and used to replenish commissary items. Monies in the commissary account are periodically turned over to the county treasury. The Sheriff's department deposited approximately \$38,000 into the commissary account during the 2 years ended December 31, 2010.

2.1 Supervisory review

The duties of receiving, recording, and depositing monies are not adequately segregated. Because the jailer is primarily responsible for all of these duties, routine and thorough supervisory reviews are essential. The Sheriff does not perform detailed reviews to ensure all monies received are properly deposited or placed in the respective inmates' cash envelopes, recorded in the accounting records, and disbursed to the appropriate party. Such comparisons would improve the effectiveness of the supervisory review and reduce the possibility of errors, loss, or misuse of funds occurring and/or 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 Sheriff expanding his supervisory reviews to include the receipting, depositing, and recording functions. Documentation of such reviews is necessary to demonstrate their performance.

2.2 Inmate and commissary monies

The Sheriff holds inmate monies in cash and does not maintain adequate records to ensure monies are accounted for properly. In addition, monies received from commissary sales are not deposited timely. A cash count of inmate monies performed on July 25, 2011, revealed cash of \$201 and a \$50 money order. A cash count of commissary monies performed on July 25, 2011, revealed cash of \$661 in the lockbox and money orders of \$260.

- The Sheriff does not maintain a receipt log or issue prenumbered receipt slips for inmate monies received. Although monies received are recorded on a manual record for each inmate, there is no centralized record of inmate monies collected by the Sheriff's department. As a result, there is no assurance all monies are accounted for properly.
- The Sheriff does not maintain centralized records of commissary sales and receipts. As a result, the Sheriff's department is unable to ensure all commissary receipts are accounted for properly and deposited.
- Commissary receipts are not deposited on a timely basis. When inmates make commissary purchases with cash, the jailer removes the appropriate amount of cash from the inmate property envelope which is placed in the commissary lockbox. The jailer deposits the lockbox monies into the commissary bank account when she believes there is too much cash in the lockbox. When an inmate has a money order available for commissary purchases, the jailer will remove the money order from the inmate's property envelope and replace it with the appropriate



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amount of change from the lockbox. Then the jailer will have the inmate endorse the money order to the Sheriff's department. These money orders are not placed in the lockbox; rather, they are placed in a money bag in the vault until a deposit is made. There is no record maintained to track the cash in the lockbox or the money orders on hand.

- Commissary deposit slips do not itemize the individual receipts deposited, and the composition of receipts is not reconciled to the composition of deposits.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, prenumbered receipt slips should be issued for all monies immediately upon receipt or, at a minimum, monies should be recorded in a receipt log when received; records of commissary sales and receipts should be maintained; commissary receipts should be deposited timely; and the composition of commissary receipts should be reconciled to the composition of deposits.

Similar conditions were noted in our prior audit report.

Recommendations

The Sheriff:

- 2.1 Expand supervisory reviews to include periodic documented reviews of the receipting, depositing, and recording functions.
- 2.2 Ensure prenumbered receipt slips are issued or a receipt log is maintained for all inmate monies received, commissary sales and receipt records are maintained, commissary receipts are deposited timely, and the composition of commissary receipts is reconciled to the composition of deposits.

Auditee's Response

The Sheriff provided the following responses:

- 2.1 *I will start doing this on January 1, 2012.*
- 2.2 *For short term inmates, the monies will be treated as property. The Sheriff's office will start depositing other inmate monies on January 1, 2012. Receipt slips will be issued for inmate monies and a log will be maintained for commissary sales and the composition of receipts will be reconciled to the composition of deposits.*

3. Public Administrator

Details provided for some annual settlement transactions were inaccurate, and procedures related to some disbursements and cash advances are not adequate. In addition, fees are not assessed to any cases. The Public Administrator is the court appointed personal representative for wards and decedent estates of the Associate Circuit Court, Probate Division. During



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the 2 years ended December 31, 2010, the Public Administrator handled approximately 11 cases.

3.1 Annual settlements

During our review of the most current annual settlement filed for the five wards who receive spending monies, the following weaknesses were noted:

- The Public Administrator signs blank checks and gives them to one ward's caretaker to purchase groceries. The payee and amount are added to the check when the groceries are purchased by the caretaker. In addition, the Public Administrator did not ensure the payees on these checks were accurately reported on the annual settlement. Approximately 50 checks made payable to a grocery store were reported as payments to the ward or cash. Signing blank checks in advance increases the risk of misuse of monies.
- The Public Administrator provided cash advances to three wards for spending money without obtaining adequate supporting documentation. As a result, there is no evidence the wards received these monies. For one settlement reviewed, the ward was issued spending monies 60 times during the year for a total of approximately \$3,200.

The Associate Circuit Judge indicated annual settlements filed by the Public Administrator were reviewed by the court and the court was aware of these issues, but did not require the Public Administrator to correct the settlements or provide additional documentation.

To ensure the financial activity of the estates is accurately reported to the court, all disbursement details should be accurately reflected on the annual settlements. To reduce the risk of misuse of monies, the Public Administrator should maintain adequate supporting documentation for cash advances, and should discontinue the practice of signing blank checks. Careful review by the court is necessary to reduce the risk that errors or misuse of funds is undetected.

3.2 Fees

The Public Administrator has not petitioned the court to be paid any fees from the accounts of active wards and estates. When the Public Administrator receives a salary from the county, state law allows for fees assessed by the Associate Circuit Court on Public Administrator cases to be paid to the county General Revenue Fund.

To ensure all fees are properly assessed and transmitted to the county, the Public Administrator should work with the Associate Circuit Judge to ensure fees are petitioned from the court for all applicable wards and estates on a timely basis, approved, properly monitored, and paid to the extent possible.



Recommendations

The Public Administrator:

- 3.1 Discontinue the practice of signing blank checks. The Public Administrator should also ensure annual settlements are accurately prepared and disbursements are supported by adequate documentation. The Associate Circuit Judge should establish procedures to ensure annual settlements filed with the court accurately reflect disbursements and disbursements are supported by appropriate documentation.
- 3.2 Work with the Associate Circuit Judge to ensure fees are paid to the county for all applicable estates and wards on a timely basis.

Auditee's Response

The Associate Circuit Judge and the Public Administrator provided the following responses:

- 3.1 *The court was aware of these situations and this was discussed with the Public Administrator. In the future, the Public Administrator will ensure annual settlements agree with canceled checks. Beginning in January 2012, the Public Administrator makes the checks payable to the grocery store before giving them to the caretaker and the amount is filled in at the time of purchase.*
- 3.2 *The Public Administrator does not believe any of the wards have enough monies for fees. The Public Administrator will work with the Associate Circuit Judge to develop a policy or threshold of assets for fees.*

4. Recorder of Deeds

The Recorder of Deeds did not maintain a book balance and did not prepare formal bank reconciliations. In addition, the composition of recorded receipts was not reconciled to the composition of deposits. The Office of Recorder of Deeds collected various fees related to recording documents such as marriage licenses and deeds totaling approximately \$87,000 annually during the 2 years ended December 31, 2010.

4.1 Reconciliation procedures

The Recorder of Deeds indicated she reviewed bank statements to ensure all deposits and checks were included; however, formal bank reconciliations were not prepared and a book balance was not maintained. At our request in July 2011, the Recorder of Deeds started maintaining a book balance and performed bank reconciliations from January 2011 through July 2011.

As a result of not maintaining a book balance, the Recorder of Deeds was not aware she had a negative book balance of \$934 at the end of August 2011. The Recorder of Deeds identified receipts from the past several years which had been recorded and disbursed twice and resolved the negative balance.



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Without maintaining a cumulative book balance and preparing monthly bank reconciliations, there is less assurance cash receipts and disbursements are properly handled and recorded or bank or book errors are detected and corrected in a timely manner.

4.2 Deposits

While all receipts are recorded in the computer system and the method of payment is indicated, the Recorder of Deeds does not ensure the composition of receipts agrees to the composition of deposits. Reconciling the composition of receipts to the deposit is necessary to ensure all monies are properly recorded and deposited intact.

Recommendations

The Recorder of Deeds:

- 4.1 Maintain records of account balances, prepare monthly bank reconciliations, and properly monitor bank account activity.
- 4.2 Reconcile the composition of receipts recorded in the computer system to the composition of deposits.

Auditee's Response

The Recorder of Deeds provided the following responses:

- 4.1 *Beginning in July 2011, I have been maintaining an account balance and performing monthly bank reconciliations. The bank account now has a zero balance after payments are made each month.*
- 4.2 *A computer change will be made in January 2012, so the printout will show total daily receipts by cash and check.*

5. Computer Controls

Controls over computer systems are not sufficient to prevent unauthorized access.

5.1 Passwords

Employees in the Offices of County Collector, County Assessor, and Recorder of Deeds are not required to periodically change their passwords. Passwords are only changed in these offices when there is a new official, a new server, or computer issues.

The lack of an effective system of passwords may allow unauthorized access and/or changes to the system. Requiring passwords to be periodically changed provides more assurance that passwords will effectively limit access to only those individuals who need access for completion of job responsibilities and reduce the possibility of unauthorized users.

A similar condition was noted in our prior audit report.



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5.2 Log-on attempts

Offices of the County Collector, County Assessor, and Recorder of Deeds do not have security controls in place to detect or prevent incorrect log-on attempts. An unauthorized individual could try an infinite number of times to log on the system and, if successful, have unrestricted access to programs and data files. In addition, the computers are not locked after a certain period of inactivity.

To help protect computer files, security controls should be implemented to detect incorrect log-on attempts after a certain number of tries and lock computers after a certain period of inactivity. Such controls should produce a log of the incorrect attempts which should be reviewed periodically by an authorized official.

Recommendations

The County Collector, County Assessor, and Recorder of Deeds:

- 5.1 Require all employees to periodically change passwords.
- 5.2 Establish security controls to detect and report incorrect log-on attempts after a certain number of tries and locks computers after a certain period of inactivity.

Auditee's Response

The County Collector provided the following responses:

- 5.1 *Passwords will now be required to be changed quarterly.*
- 5.2 *Computers now lock after a certain period of inactivity and a certain number of incorrect log-on attempts.*

The County Assessor provided the following responses:

- 5.1 *I will check with the computer programmer to establish procedures to require passwords be changed periodically. I am concerned about work flow inefficiency, but will consider lockout after inactivity.*
- 5.1 *I will check with the computer programmer to establish procedures to detect or prevent incorrect log-on attempts.*

The Recorder of Deeds provided the following responses:

- 5.1 *I will contact the computer programmer and ask him to require passwords be periodically changed.*
- 5.2 *This has now been implemented.*



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6. Closed Minutes

County procedures related to closed meetings were not always in compliance with the Sunshine Law. The County Commission held 19 closed meetings during 2009 and 2010. The following problems were noted regarding some of these meetings.

- Reasons for closing meetings and the corresponding vote to close the meeting were not always documented. During the 2 years ended December 31, 2010, the open meeting minutes did not include a vote to close the meeting for three closed meetings and a reason for closing the meeting was not included for two other closed meetings.
- The County Commission closed a meeting in August 2009 to open bids for a bank loan and closed another meeting to discuss and sign the loan agreement a week later. The Sunshine Law does not allow these topics to be discussed in closed session and does not allow these actions to be taken in closed session.

Chapter 610, RSMo, provides the question of holding a closed meeting and the reason for the closed meeting be voted in an open meeting and requires minutes be prepared for all closed meetings. The law also provides guidance on which discussion topics and actions are allowable in closed meetings.

Recommendation

The County Commission ensure items discussed in closed meetings comply with the Sunshine Law and ensure open meeting minutes document the reason and the corresponding vote for entering closed session.

Auditee's Response

The County Commission provided the following response:

We will do this in the future.

Madison County

Organization and Statistical Information

Madison County is a county-organized, third-class county. The county seat is Fredericktown.

Madison 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 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 employed 49 full-time employees and 10 part-time employees on December 31, 2010.

In addition, county operations include the Senate Bill 40 Board, the Law Enforcement Restitution Board, and the Domestic Violence Board. Also, the county has 911 operations.

Elected Officials

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

Officeholder	2011	2010
John Rauls, Presiding Commissioner	\$	27,080
Dennis Bradford, Associate Commissioner		25,080
Larry Mungle, Associate Commissioner		25,080
Paula Francis, Recorder of Deeds		38,000
Donal E. Firebaugh, County Clerk		38,000
Dan Fall, Prosecuting Attorney		45,000
David Lewis, Sheriff		42,000
Kay Rehkop, County Treasurer		38,000
Charles C. Follis, County Coroner		11,000
Carol Lachance, Public Administrator		15,000
Charla Royer, County Collector, year ended February 28,	38,000	
Barbara Martin, County Assessor , year ended August 31,		38,000
William Douglas McFarland, County Surveyor (1)		

(1) Compensation on a fee basis.



Madison County
Organization and Statistical Information

**Financing
Arrangements**

The Madison County Commission has established three Tax Increment Financing Districts (TIFs) to stimulate business growth. In December 2002, the county sold revenue bonds totaling \$1,035,000 to finance the first TIF project. In 2004, a promissory note was issued for the second TIF area. To refinance the revenue bonds and promissory note and obtain additional monies for the third TIF area, the county entered into a new loan agreement with the Missouri Transportation Finance Corporation totaling \$4,839,000 in 2007. As of December 31, 2010, the total principal balance was \$3,941,677. Final payment is scheduled to occur in 2018.

The county entered into a capital lease for road and bridge equipment to refinance other leases in December 2010. As of December 31, 2010, the total principal balance was \$240,396. Final payment is scheduled to occur in 2013.

**American Recovery and
Reinvestment Act of 2009
(Federal Stimulus)**

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

For the years ended December 31, 2010 and 2009, the Madison County Council for the Developmentally Disabled received \$3,977 under Title V, Section 5001 of the Recovery Act which provided additional federal funding through the Medicaid Federal Medical Assistance Percentage grant. The grant was awarded by the Missouri Department of Mental Health. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010.