



Thomas A. Schweich
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CITIZENS SUMMARY

Findings in the audit of Butler County

County Procedures	<p>County officials need to better document procurement process decisions. County officials did not maintain documentation of oral quotes, price comparisons, or sole source and emergency purchase decisions. The County Commission refinanced \$1.7 million in general obligation bonds through a negotiated instead of a competitive sale, and did not select the bond underwriter or bond counsel competitively. The county needs to improve its procedures to review invoices and document receipt of goods. Audit staff identified a \$3,226 credit for returned parts from October 2010 which the county had not collected. The County Commission pays the Sheriff a monthly mileage allowance of \$850, but the Sheriff did not maintain mileage logs in 2009 and 2010, so the payments should be reported as taxable compensation on the Sheriff's W-2 form. Bulk fuel tanks at the Road and Bridge Department are not metered, and logs are not maintained to document fuel pumped or vehicle mileage. The County Commission approves a transfer each year of \$100,000 from the 911 Fund to the Law Enforcement Complex Fund to reimburse for 911 expenses, but it does not document the related disbursements.</p>
Payroll Procedures and Personnel Policies	<p>Centralized records of leave balances are not maintained, and audit staff identified errors and inconsistencies in the leave records. Timesheets for Road and Bridge employees are not signed by the employee or the supervisor, and timesheets for Sheriff Department employees in supervisory positions are not signed as approved by the Sheriff.</p>
Property Tax System	<p>Prior audit reports have identified concerns in the County Collector's office, and controls and procedures over the property tax system still need improvement. Approximately \$34,000 more than allowed by law was withheld from tax collections and disbursed to the Assessment Fund because the County Collector did not adequately monitor the amounts withheld. Neither the Collector nor the County Clerk adequately reviewed the tax books to ensure their accuracy. The County Commission does not review changes to the amount of taxes the County Collector is charged with collecting, and the total of the Collector's 2010 current real estate tax book did not agree to amounts reported on the Collector's annual settlements. During the 2 years ended February 28, 2011, \$61,000 in personal property taxes were outlawed and removed from the tax book without the approval of the County Commission. The method of payment is not recorded on tax receipts, and the composition of tax receipts is not reconciled to the composition of deposits. Monies received for partial payments are held in cash in envelopes in the County Collector's vault until full payment is received. During a cash count, audit staff noted 60 envelopes containing \$13,266 on hand. Receipt slips are not issued for some partial payments, and the County Collector's spreadsheet used to track partial payments is not accurate and complete.</p>

Prosecuting Attorney Controls and Procedures	Accounting duties are not adequately segregated. The bad check clerk responsible for all bad check receipting, recording, depositing and disbursing also has the ability to post adjustments in the computer system without independent approval. Delinquent tax collections are not always transmitted to the Missouri Department of Revenue timely.
Sheriff Controls and Procedures	Inmate receipt slips do not indicate the method of payment and are not always issued in sequential order, and not all copies of voided receipt slips or bond receipt slips are retained.
Public Administrator Controls and Procedures	Annual settlements are not always filed in a timely manner. At December 31, 2010, 86 annual settlements were due to the Probate Court.
Board for the Care of the Handicapped	As noted in our prior audit report, the Board for the Care of the Handicapped does not adequately monitor payments to various not-for-profit agencies. Recipient agencies are contractually required to submit monthly financial reports or other documentation, but the Board does not enforce this requirement.
Capital Assets	County property procedures and records are not adequate. Asset records are not always requested or received by the County Clerk, and county procedures do not ensure their accuracy.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act (Federal Stimulus)	Butler County was awarded a \$118,019 Homelessness Prevention and Rapid Re-housing Program grant, all of which was expended to provide homelessness prevention and rapid re-housing assistance.
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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.