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CITIZENS SUMMARY

Findings in the audit of Butler County

Public Administrator's Controls and Procedures	<p>The Public Administrator charged wards excessive and unreasonable fees that did not reflect the actual time spent to handle ward finances. As a result, a significant portion of some wards' income is being used to pay Public Administrator fees and offset office costs. The Public Administrator does not always file required annual and final settlements timely. A probate court report dated May 10, 2023, showed 91 of the 243 required annual settlements or final settlements (37 percent) were overdue. The Public Administrator does not ensure ward bills are paid timely and a review of check registers and bills for 3 wards noted the Public Administrator paid room and board bills at least 30 days past their due dates and 60 days past the due date in one instance. The Public Administrator has not adequately segregated accounting duties, does not perform documented supervisory reviews of detailed accounting and bank records, and has not adequately secured signature stamps. Public Administrator's office personnel do not issue receipt slips for checks received in the office.</p>
Property Tax System	<p>Neither the County Clerk nor the County Commission adequately review the financial activities of the County Collector. The account book maintained by the County Clerk was not complete, did not track all taxes charged to the County Collector, and did not agree to the annual settlements submitted by the County Collector. In addition, the County Clerk and the County Commission did not adequately review and approve the County Collector's annual settlement for the year ended February 28, 2023. The County Clerk and the County Commission do not adequately review property tax additions and abatements.</p>
County Collector's Controls and Procedures	<p>The County Collector does not monitor and/or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund. As a result, during the year ended December 31, 2022, she withheld \$68,740 more from tax collections for the Assessment Fund than allowed by state law and disbursed less funds to taxing authorities. During that period, approximately \$143,740 was withheld from property taxes for the Assessment Fund which exceeded the \$75,000 maximum amount allowed. The County Collector has not established procedures to routinely follow up on outstanding checks in the main, miscellaneous, and drainage bank accounts. As of February 28, 2023, there were 77 main bank account checks, totaling \$6,786; 2 drainage bank account checks, totaling \$11,729; and 3 miscellaneous bank account checks totaling \$242 outstanding for more than a year. The County Collector does not compare the protested tax bank account balances to a list of liabilities. In addition, the County Collector does not prepare a monthly list of liabilities for the main and drainage bank accounts.</p>
Prosecuting Attorney's Controls and Procedures	<p>The Prosecuting Attorney's office has not established procedures to follow up on outstanding checks. As of December 31, 2022, 105 checks, totaling \$18,720 for the restitution account, and 32 checks totaling \$4,444 for the bad check account were outstanding for more than a year. The Prosecuting Attorney's office does not prepare a monthly list of liabilities for the restitution account. As of December 31, 2022, the restitution account had an unidentified balance of \$2,148.</p>
Sheriff's Compensation	<p>The County Commission authorized mid-term salary increases totaling \$21,732 to the Sheriff in violation of constitutional provisions and state law.</p>

County Credit Card Controls and Procedures	The county does not monitor credit card limits for county credit cards and, based on the limited credit card use, the monthly-cycle limits are excessive. The total credit limit for the county's 12 credit cards was \$116,500 during 2022. Excessive credit card limits and purchasing ability increased the risk of abuse and potential large liabilities for the county.
Sales Tax Rollback	When calculating the property tax reduction each year, the County Clerk did not account for the difference between estimated and actual sales taxes collected for the preceding year. As a result, approximately \$222,770 in excess property taxes were collected for 2020, 2021, and 2022.
Sunshine Law Public Access Policy	The County Commission has not adopted a written policy regarding public access to county records as required by state law.
Electronic Data Security	Controls over county computers are not sufficient. County officials have not established adequate password controls to reduce the risk of unauthorized access to office computers and data. The County Assessor, County Clerk, County Collector, Public Administrator, and Sheriff do not have security controls in place to lock computers after a certain period of inactivity and the County Collector's office computers do not lock after a specified number of incorrect logon attempts.
Electronic Communication Policy	The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.
Board for the Care of the Handicapped	The Board for the Care of the Handicapped does not adequately monitor payments and uses of funding to not-for-profit (NFP) entities. The contracted NFP entities did not provide the Board information required by the contracts, including projects undertaken and progress towards achieving goals; monthly financial reports, including an accounting of all receipts and disbursements of all funds; and other documentation such as the sale, lease, or transfer of real or personal property. Additionally, the NFP entities did not provide the Board documentation of their beginning or projected ending cash balances on annual funding requests.
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**.*

*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.



Recommendations in the audit of Butler County

Public Administrator's Controls and Procedures	<p>The Public Administrator:</p> <ul style="list-style-type: none">1.1 Work with the court to develop a formal policy outlining the fee amount to assess wards and reevaluate the rate structure used for processing ward financial activity to ensure the fees charged are reasonable.1.2 File annual and final settlements timely.1.3 Implement procedures to ensure bills are paid timely.1.4 Segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed. In addition, the Public Administrator should establish controls over the use of signature stamps.1.5 Issue prenumbered receipt slips for all money received.
Property Tax System	<ul style="list-style-type: none">2.1 The County Clerk maintain an accurate and complete account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.2.2 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored and reconcile changes in the County Collector and Assessor's systems to ensure accuracy.
County Collector's Controls and Procedures	<p>The County Collector:</p> <ul style="list-style-type: none">3.1 Review Assessment Fund withholdings for past years, determine the excess amount distributed to the Assessment Fund, and disburse that amount to the taxing authorities. The County Collector should also ensure the percentage to be deducted from property taxes for the Assessment Fund is properly reduced in future years once the \$75,000 limit is reached.3.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the funds should be disbursed in accordance with state law.3.3 Prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences should be promptly investigated and resolved. In addition, the County Collector should disburse any unidentified funds in accordance with state law.

Prosecuting Attorney's Controls and Procedures	<p>The Prosecuting Attorney:</p> <p>4.1 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If a payee cannot be located, the funds should be disposed of in accordance with state law.</p> <p>4.2 Prepare monthly lists of liabilities and reconcile the lists to available cash balances. Any differences should be promptly investigated and resolved. In addition, the Prosecuting Attorney should disburse any unidentified funds in accordance with state law.</p>
Sheriff's Compensation	The County Commission discontinue the mid-term salary increase and consider various methods for possible recoupment of money already paid.
County Credit Card Controls and Procedures	The County Commission review and adjust credit card limits to reasonable amounts.
Sales Tax Rollback	The County Commission and the County Clerk properly calculate property tax rate reductions based on sales tax collections and develop a plan to correct the accumulation of prior over collections of property taxes.
Sunshine Law Public Access Policy	The County Commission develop a written public access policy, and maintain a public request log or other documentation to help ensure compliance with state law.
Electronic Data Security	<p>The County Commission work with other county officials to:</p> <p>9.1 Require employees to periodically change passwords and ensure all passwords are kept confidential.</p> <p>9.2 Require county computers to have security controls in place to lock each computer after a certain period of inactivity and after a specified number of incorrect logon attempts.</p>
Electronic Communication Policy	The County Commission work with other county officials to develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.
Board for the Care of the Handicapped	The Board for the Care of the Handicapped ensure not-for-profit (NFP) entities submit information required by contract and document any discussions held with NFP entities.