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CITIZENS SUMMARY

Findings in the audit of Bates County

<p>Prosecuting Attorney's Controls and Procedures</p>	<p>The Prosecuting Attorney improperly holds unclaimed victim restitution to distribute to other victims whose restitution remains unpaid. As a result, the rightful victims or their heirs may not receive the money collected by the Prosecuting Attorney's office on their behalf. As of December 2023, the Prosecuting Attorney held at least \$2,000 in unclaimed restitution to disburse to victims other than those the court intended. The Prosecuting Attorney last improperly disbursed unclaimed court-ordered restitution to victims other than those intended totaling \$17,386, in June 2021. The Prosecuting Attorney assessed and collected fines totaling \$2,544 in lieu of court-ordered community service for 2 defendants between October 2021 and March 2022 without court approval. The Prosecuting Attorney does not perform adequate bank reconciliations and does not prepare a monthly list of liabilities for the fee account.</p>
<p>Administrative Handling Cost Fund</p>	<p>The Prosecuting Attorney maintains the Administrative Handling Cost Fund (AHCF) outside the county treasury. There is no statutory authority allowing the Prosecuting Attorney to maintain this account outside the county treasury. In addition, the Prosecuting Attorney has not prepared a budget for this fund and disbursements totaling \$3,369 made during the year ended December 31, 2023, were not made through the county's normal disbursement process.</p>
<p>Sheriff's Compensation</p>	<p>The County Commission authorized mid-term salary increases totaling \$12,336 to the Sheriff in violation of constitutional provisions.</p>
<p>Senate Bill 40 Board Budget Monitoring</p>	<p>The County Commission and the Senate Bill 40 Board do not adequately monitor the board's budget-to-actual receipts and disbursements and actual disbursements exceeded the board's budgeted disbursements by \$169,509 for the Senate Bill 40 Board Fund for the year ended December 31, 2023. The County Commission and the Board did not prepare a budget amendment for the excess disbursements. State law prohibits counties from spending more than budgeted and provides guidance on when budget amendments are allowable.</p>
<p>Recorder of Deeds' Controls and Procedures</p>	<p>The Recorder of Deeds does not prepare bank reconciliations or prepare monthly lists of liabilities, and does not maintain a check register or book balance. The December 31, 2023, bank balance was \$17,392. Of this, the audit identified a deposit in transit of \$237 and liabilities consisting of undisbursed December collections totaling \$10,958, resulting in \$6,671 in unidentified money in the account. The audit attributed \$6,627 of the unidentified balance to recording fees that should have been disbursed to the county Recorder User Fee Fund maintained by the County Collector-Treasurer.</p>
<p>Assessment Withholding</p>	<p>The County Clerk improperly calculated Assessment Fund withholdings, and as a result, the County Collector-Treasurer over withheld Assessment Fund commissions by \$14,566 and disbursed less funds to political subdivisions during the settlement year ended February 29, 2024.</p>

Sunshine Law	The County Commission did not always comply with the Sunshine Law for closed meetings and notices and agendas.
Senior Citizens' Services Boards Contracts	The Senior Citizens' Services Board has not entered into written contracts with the two entities it funds. The Board reviewed and approved documented proposals in compliance with the Senior Citizens' Services Board bylaws but did not require written contracts. State law requires contracts of political subdivisions to be in writing.
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. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.
Electronic Data Security	Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data. Employees in the County Assessor and Recorder of Deeds offices are not required to change passwords periodically. Additionally, one user account and password is shared between all employees in the County Assessor's office. Since passwords in certain offices do not have to be periodically changed and are allowed to be shared in the County Assessor's office, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Also, allowing users to share accounts and passwords reduces individual accountability for system activity and unauthorized system access could occur. The County Assessor, Recorder of Deeds, Public Administrator, and Collector-Treasurer do not have security controls in place to lock computers after a specified number of incorrect logon attempts.
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 Bates County

Prosecuting Attorney's Controls and Procedures	<p>The Prosecuting Attorney:</p> <ol style="list-style-type: none">1.1 Disburse restitution in accordance with a court order and any unclaimed restitution should be disbursed to the Missouri State Treasurer's Unclaimed Property Division as required by state law.1.2 Discontinue collecting fines in lieu of court-ordered community service or obtain court authorization prior to modifying sentences, and disburse fines as required by state law.1.3 Prepare adequate monthly bank reconciliations and lists of liabilities and reconcile the list of liabilities to the available cash balance. Any differences should be promptly investigated and resolved.
Administrative Handling Cost Fund	<p>The Prosecuting Attorney transfer the balance of the Administrative Handling Cost Fund (AHCF) bank account to the County Collector-Treasurer and close the account. In addition, the Prosecuting Attorney should work with the County Commission to adopt a budget for the AHCF and process disbursements from this fund through the county's normal disbursement process.</p>
Sheriff's Compensation	<p>The County Commission discontinue the mid-term salary increase and consider various methods for possible recoupment of money already paid.</p>
Senate Bill 40 Board Budget Monitoring	<p>The County Commission and the Senate Bill 40 Board monitor the Board's disbursements to ensure they do not exceed budgeted amounts and prepare any necessary budget amendments timely.</p>
Recorder of Deeds' Controls and Procedures	<p>The Recorder of Deeds ensure a cumulative book balance, adequate bank reconciliations, and monthly lists of liabilities are prepared and reconciled timely. Any discrepancies between accounting records and reconciliations should be promptly investigated and resolved. In addition, disburse fees in accordance with statute.</p>
Assessment Withholding	<p>The County Collector-Treasurer work with the County Clerk to ensure Assessment Fund withholding calculations are correct and the assessment withholding percentage is properly reduced once the \$75,000 limit is reached. The County Collector-Treasurer should also recalculate all commissions and correct distributions to the various political subdivisions and the county Assessment Fund.</p>
Sunshine Law	<p>The County Commission ensure specific reasons for closing a meeting are documented in the open minutes. In addition, ensure proper notification and agendas for public meetings are given and sufficiently detailed.</p>
Senior Citizens' Services Board Contracts	<p>The Senior Citizens' Services Board enter into written contracts defining services provided, benefits received, and the manner and amount of payments to be made as required by state law.</p>

**Electronic Communication
Policy**

The County Commission work with the 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.

Electronic Data Security

The County Commission work with other county officials to:

- 10.1 Ensure employees do not share user identifications and passwords, and require confidential passwords that are periodically changed to prevent unauthorized access to the county's computers and data.
- 10.2 Require county computers to have security controls in place to lock each computer after a specific number of incorrect logon attempts.