



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Benton County

County Financial Controls and Procedures	The County Treasurer does not ensure bank reconciliations are accurately prepared and agree to book balances. The bank reconciliation performed for January 2023 was reviewed, and a significant difference of \$7.4 million was identified between the reconciled bank balance and the book balance. In addition, a review of the bank reconciliations performed for December 2022, November 2023, and December 2023, noted significant differences ranging from \$127,672 to \$586,068 between the reconciled bank balances and the book balances. Neither the County Clerk nor the County Commission adequately review the financial activities of the County Treasurer. The County Treasurer prepares monthly bank reconciliations and monthly settlements and provides them to the County Clerk and County Commission. However, the County Clerk and the County Commission do not review the bank reconciliations and compare them to the monthly settlements. Furthermore, the monthly settlements do not have a documented review. The county has not implemented the recommendation made by the independent auditors who have performed the county's financial statement audits to adequately track cash and fund balances.
Sales Tax Rollback	The county did not sufficiently reduce the property tax levy in its sales tax rollback calculations to offset 50 percent of sales tax money received in 2020 through 2022 by approximately \$200,000. In addition, the county did not properly report the property tax levy reduction to the State Auditor's Office in 2022, did not reduce the tax levy for sales tax collections for 2023, and did not accurately calculate the property tax reduction required for 2024.
Public Administrator's Controls and Procedures	The Public Administrator paid her family's accounting and tax business a total of \$4,075 from the accounts of 38 wards during 2022 and 2023 for tax preparation services. The Public Administrator believes her family's accounting and tax business has the lowest rates in the area for tax preparation services; however, she has no documentation to support her claim. During a review of 25 active cases, chosen judgmentally, with annual settlements due in 2023, the audit found the Public Administrator did not file the annual settlements by the required date for 9 cases tested (36 percent). For 3 of these cases, annual settlements were filed more than 30 days late. One was filed 219 days late, another was filed 211 days late, and the third was filed 85 days late.
Sheriff's Compensation	The County Commission authorized mid-term salary increases totaling \$15,945 to the Sheriff in violation of constitutional provisions.
Sunshine Law	The County Commission did not always comply with the Sunshine Law for open and closed meetings. The County Commission did not document in the open meeting minutes the specific sections of the law allowing the meetings to be closed when voting to go into closed session for 8 of 10 closed meetings. The County Commission discussed some items in closed meetings that were not cited in the open meeting minutes as the reason for closing the meeting. The County Commission discussed some items in closed meetings that were not allowable under the Sunshine Law.

Sales Tax	The county's Road and Bridge department does not charge sales tax on dust control products sold to county residents for gravel roads, and the Sheriff's office does not charge sales tax on electronic cigarettes and nicotine pouches sold to inmates. Pursuant to 12 Code of State Regulations 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.
County Collector's Controls and Procedures	The county does not report personal commissions received by the County Collector for the collection of city taxes as employee compensation to the Internal Revenue Service. The County Collector paid himself commissions totaling \$7,596 for the collection of city taxes during the fiscal year ended February 29, 2024, outside of the county payroll process. Since the payments for commissions are not processed through the county payroll system, they have not been reported on the employee's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid. The County Collector does not prepare a monthly list of liabilities for the tax sale holding account, and consequently, liabilities are not agreed to the reconciled bank balance.
Sheriff's Liabilities	The Sheriff's Deputy Clerk does not prepare a monthly list of liabilities for the general account, and consequently, liabilities are not agreed to the reconciled bank balance. The reconciled bank balance at December 31, 2023, was \$5,886. We identified liabilities consisting of undisbursed fees totaling \$4,214, resulting in \$1,672 in unidentified money in the account.
Senior Citizens' Services Board	The Senior Citizens' Services Board did not enter into written contracts with the not-for-profit (NFP) entities to whom funding was provided.
Electronic Data Security	The County Assessor, County Collector, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. They also 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 **Poor**.*

*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 Benton County

County Financial Controls and Procedures	1.1	The County Treasurer ensure adequate monthly bank reconciliations are prepared and agreed to book balances that are accurately maintained. The differences identified in the finding should be promptly investigated and resolved.
	1.2	The County Clerk and County Commission perform documented reviews of bank reconciliations and monthly settlements prepared by the County Treasurer.
	1.3	The County Commission implement audit recommendations timely.
Sales Tax Rollback		The County Commission and County Clerk properly calculate property tax rate reductions including the adjustment required for sales tax reductions not taken in prior years, accurately report property tax rate reductions (sales tax or voluntary), and develop a plan to correct for the accumulation of prior years' over collections of property taxes. During the tax rate setting process, the County Commission and County Clerk should ensure tax information reported back to the county in the State Auditor's Office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.
Public Administrator's Controls and Procedures		The Public Administrator:
	3.1	Avoid the appearance of conflicts of interest that could prevent her from objectively performing her duties. The Public Administrator should also ensure documentation is maintained of the consideration of vendors other than family members for services provided to wards.
	3.2	File annual settlements timely.
Sheriff's Compensation		The County Commission discontinue the mid-term salary increases and consider various methods for possible recoupment of money already paid.
Sunshine Law		The County Commission ensure the specific reasons for closing meetings are documented in the open minutes, only topics allowed by state law are discussed in closed meetings, and discussions are limited to the specific reasons cited for closing the meetings.
Sales Tax		The Road and Bridge department and the Sheriff contact the Department of Revenue (DOR) for guidance on establishing procedures for charging and collecting sales tax, and ensure sales tax collections are remitted to DOR.
County Collector's Controls and Procedures		The County Collector:
	7.1	Work with the County Commission and County Clerk to ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service (IRS) as employee compensation.

- 7.2 Prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences should be promptly investigated and resolved.

Sheriff's Liabilities	The Sheriff prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences should be promptly investigated and resolved.
Senior Citizens' Services Board	The Senior Citizens' Services Board enter into written agreements as required by state law.
Electronic Data Security	<p>The County Commission work with other county officials to:</p> <p>10.1 Require each employee to use a password with a minimum number of characters that is periodically changed.</p> <p>10.2 Require county computers to have security controls in place to lock each computer after a specified number of incorrect logon attempts.</p>