



# CITIZENS SUMMARY

## Findings in the audit of the Iron County Sheriff

### Missing Money

From December 31, 2020, through March 31, 2023, Sheriff's office personnel collected at least \$5,680 for cash bonds that was not deposited and is missing. Of the 263 bond forms written from December 31, 2020, to March 31, 2023, 136 forms indicated money was collected. During a review of these bonds, the audit identified 6 bond forms that indicated the Sheriff's office collected cash totaling \$5,680 that was not deposited into any Sheriff bank account and could not be traced to a disbursement to a court.

### Accounting Controls and Procedures

A review of 263 bond forms issued from December 31, 2020, through March 31, 2023, found concerns with 94, including: bond money collected but never deposited; court case not identified for collected bond money; illegible, incomplete, and missing bond forms; a bond disbursed before the bond money was collected; and a bond disbursement rejected by the bank because the Sheriff's office bank account did not have sufficient funds. During the audit period, 24 bonds, totaling \$19,501, were not disbursed to the circuit court for more than 30 days, with some money held for almost a year. The former Sheriff did not segregate accounting duties and did not perform adequate supervisory reviews of detailed accounting and bank records. The Sheriff's office did not establish adequate controls for monitoring bank account use causing both the Bond account and the Revolving Fund account to be overdrawn multiple times. During the audit period, the Bond and Revolving Fund accounts had balances as low as negative \$701 and negative \$14,448, respectively. The overdrawn accounts resulted in the county paying overdraft fees totaling \$238. The Sheriff's office procedures for receipting, recording, and depositing money need improvement.

The former Sheriff did not establish appropriate disbursement controls and written procedures, which allowed inappropriate purchases to go undetected. The audit noted 9 improper purchases, totaling \$4,954, with office credit cards and 2 improper cash withdrawals from the Donations account, totaling \$308. The Sheriff's office did not establish appropriate controls and written procedures for the use of office credit cards. A review of credit card purchases from the period January 1, 2021, through March 31, 2023, found 80 purchases totaling \$18,634 that did not have receipt slips submitted to the county. Because of this, the County Clerk's office refused to pay credit card bills for the Sheriff's office until they received the required supporting documentation. This led to accumulating balances and late fees and eventually the cancellation of some cards by the issuing bank. From January 2021 through March 2023, the county paid \$145 in late fees and \$680 in finance charges as a result of late or incomplete payments on the Sheriff's credit card bills. Because the Sheriff's office did not have proper controls in place for purchases, the Sheriff's office exceeded initial 2022 General Revenue Fund budgeted amounts for the Sheriff's office and jail by \$10,843 and \$41,364, respectively.

The Sheriff's office did not solicit bids when required. The county paid approximately \$50,000 for inmate meals in 2021 and approximately \$49,000 for inmate meals in 2022 without soliciting bids. This was an increase of approximately \$29,000 per year from 2020 under the prior Sheriff.

The Sheriff's office does not maintain documentation for civil paper service requests. Sheriff's office personnel did not have controls and procedures in place to ensure all costs for boarding prisoners were billed to the prisoner or applicable government entities upon release and lack adequate controls and procedures to track and account for fuel purchases. Fuel purchases for the Sheriff's fleet increased from 10,987 gallons in 2020 to 17,274 gallons in 2021 and 18,061 gallons in 2022 (a yearly increase of approximately 57 percent and 5 percent, respectively) and there was no significant change in the departmental fleet size and composition.

The Sheriff's office maintains a bank account outside the county treasury. The Sheriff's office did not establish controls and procedures to ensure the money donated was adequately tracked or used for its intended purposes. The Donations account was opened in June 2021 to fund a K-9 unit. There was no support for any of the deposits into the account to show who donated or for what purpose. Also, all funds withdrawn from the account were in cash or by debit card with no indication of what was purchased or why.

Seized Property	Sheriff's office personnel do not maintain a complete and accurate seized property inventory listing and did not ensure items in the seized property room were properly secured. The State Auditor's Office haphazardly selected 10 items from the seized property evidence listing to trace to the physical seized property items and 5 items from seized property to trace to the seized property evidence listing. Auditors could not physically locate 3 items from the evidence listing (a 9 mm handgun with holster and live rounds, two pipes with one gram of marijuana, and a 22 Magnum revolver) in the seized property room. They also found 3 items (a large rock, a samurai sword, and a rifle) in the seized property room that were not included on the seized property evidence listing. Auditors also noted items in the property room were not properly secured, with many loose items in the room not labeled, improperly placed with existing cases, or in unsealed envelopes. These items included firearms, plants resembling marijuana, ammunition, and electronics.
Payroll Controls and Procedures	The Sheriff does not ensure timesheet calculations or vacation and sick leave balances are accurate and does not ensure all timesheets are reviewed and signed by the employee, the employee's supervisor, and the Sheriff. Timesheets also did not always follow established written personnel policies. Time was noted on several occasions where the approval date preceded the date worked. Sheriff's office personnel also did not adequately maintain time records or compare them to the totals from the County Clerk's office.
Grant Requests	The former Sheriff did not timely submit the grant application for the Deputy Sheriff Salary Supplementation Fund grant for state fiscal year 2022 resulting in lost revenue to the county. The County Clerk indicated the County Commission used the General Revenue Fund to supplement the lost grant money and maintain deputy salaries at the previous amount. This was an unexpected expense for the county. The county reapplied for the grant and it was awarded for the state fiscal year 2023 (July 2022 through June 2023).
Equipment	The Sheriff's office does not maintain an inventory of equipment. As a result, the Sheriff cannot conduct a periodic physical inventory of equipment.

Sales Tax	The Sheriff's office did not charge the correct sales tax on e-cigarettes sold to inmates, and did not remit any sales taxes collected to the Missouri Department of Revenue as required by state law. Jail personnel collected sales tax on all sales, however, they did not include the 2 percent Iron ton city sales tax in their tax calculations. Using the correct sales tax rate of 9.225 percent, the Sheriff's office should have collected and remitted \$381 during January, February, and March 2023. Instead, the Sheriff's office collected only \$320 in sales tax for those months.
-----------	---

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 the Iron County Sheriff

Missing Money	The County Commission work with law enforcement regarding the missing money and take the necessary actions to seek restitution for the amounts missing.
Accounting Controls and Procedures	<p>The Sheriff:</p> <ol style="list-style-type: none"><li>2.1 Establish adequate controls for the collection, processing, documentation, and disbursements of all bonds. Use prenumbered bond forms and/or issue prenumbered receipt slips immediately upon receipt. In addition, ensure all bond money is disbursed timely to the appropriate circuit court.</li><li>2.2 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.</li><li>2.3 Ensure bank accounts are monitored, including preparing adequate monthly bank reconciliations using outstanding checks, deposits in transit, and other reconciling items. In addition, prepare a monthly list of liabilities and reconcile the listing to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.</li><li>2.4 Establish controls for receipting, recording, and depositing money received, including immediately issuing prenumbered receipt slips for all money received, restrictively endorsing all checks and money orders at the time of receipt, and ensuring timely deposits.</li><li>2.5 Establish controls and procedures to ensure purchases are appropriate and approved as required.</li><li>2.6 Maintain and submit to the County Clerk supporting documentation for all credit card purchases to allow for timely review and payment.</li><li>2.7 Ensure all invoices are paid and receipts are disbursed to the Treasurer timely. Retain documentation of disbursements. Ensure checks are issued in numerical sequence and properly accounted for and voided checks are mutilated and retained. The Sheriff and County Commission should also ensure budgets are amended prior to spending in excess of the budget.</li><li>2.8 Ensure bids and proposals are solicited for all applicable purchases of goods and services in accordance with state law, and maintain adequate documentation of decisions made.</li><li>2.9 Develop procedures to document service of civil paper service requests to ensure they are carried out in a timely manner and the related fees are appropriately refunded to the payer, disbursed to the county, or disposed of as otherwise provided by state law.</li></ol>

- 2.10 Develop procedures to bill, monitor, and pursue collection of costs for boarding prisoners.
- 2.11 Require fuel logs be maintained for all vehicles. Document reconciliations of fuel logs to fuel purchases. Promptly investigate any significant discrepancies.
- 2.12 Turn all donations over to the County Treasurer and close the Donations account, ensure records of donations received are maintained, ensure all purchases are made through the county procurement and budget process, and maintain documentation of all purchases.

Seized Property	The Sheriff properly label and store seized property, maintain a complete and accurate seized property evidence listing, and ensure periodic physical inventories are conducted and reconciled to the seized property evidence listing. Any differences should be investigated and resolved.
Payroll Controls and Procedures	The Sheriff should ensure timesheets are accurate and controls are in place to ensure timesheets are properly signed and approved. The Sheriff should also ensure compensatory time balances are reconciled to County Clerk records and comply with county policy. The County Commission and County Clerk should ensure compliance with personnel policies, Fair Labor Standards Act requirements, and review and update the personnel policies as necessary.
Grant Requests	The Sheriff ensure grant applications are submitted timely.
Equipment	The Sheriff maintain a list of all equipment owned by the Sheriff's office, including to whom the equipment is assigned as required by state law and conduct periodic physical inventories.
Sales Tax	The Sheriff ensure all sales tax collections are accurate, use the correct tax rate, and are remitted to the Department of Revenue.