



CITIZENS SUMMARY

Findings in the audit of the Stone County Collector

Missing Money and Transactions Not Receipted

From May 1, 2023, through March 15, 2024, a former employee receipted money totaling at least \$19,049 that was not deposited. She also collected an additional \$475 that was not recorded or deposited, but taxpayers presented stamped tax statements to show proof of payment. If other similar situations exist, additional money may be missing. The former employee repaid \$4,782 in March 2024, after the County Collector confronted her about missing receipts. Additionally, 2 taxpayers reissued missing checks totaling \$1,060 to the Collector. As a result, \$13,682 remains missing.

County Collector's Controls and Procedures

Significant weaknesses existed in the County Collector's accounting controls and procedures resulting in money collected that was not properly receipted, recorded, and deposited. The County Collector did not adequately segregate accounting duties and does not perform a supervisory review of detailed accounting and bank records. The County Collector does not reconcile property taxes receipted to property tax deposits prepared by the employees. As a result, she did not detect the missing money. The County Collector does not reconcile merchant licenses issued to merchant license fees collected, and as a result, did not detect missing receipts. In addition, the County Collector does not distribute all merchant license fees. The County Collector does not ensure staff issue receipt slips and record all money received, and does not ensure all money received is disbursed appropriately. The County Collector does not perform adequate bank reconciliations and does not prepare a monthly list of liabilities. Neither the County Collector nor her staff account for the numerical sequence of receipt slip or merchant license numbers assigned by the property tax system.

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 Stone County Collector

**Missing Money and
Transactions Not Receipted**

The County Commission and the County Collector work with law enforcement officials regarding criminal prosecution related to the missing money and take the necessary actions to obtain restitution.

**County Collector's Controls
and Procedures**

The County Collector:

- 2.1 Segregate accounting duties to the extent possible or ensure independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 2.2 Reconcile property tax receipt records to deposit records.
- 2.3 Reconcile merchant licenses issued to fees recorded and deposited, and remit the outstanding fees to the County Treasurer for distribution to the County Employees Retirement Fund (CERF) and the county General Revenue Fund.
- 2.4 Issue receipt slips for all money immediately upon receipt and ensure receipts are distributed as required.
- 2.5 Ensure the bank reconciliation is accurate and a liabilities listing is maintained, compare the list of liabilities to the reconciled balance, and work to identify the unidentified balance. In addition, the County Collector should disburse any unidentified funds in accordance with state law.
- 2.6 Account for the numerical sequence of receipt slip and merchant license numbers.