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CITIZENS SUMMARY

Findings in the audit of the Randolph County Sheriff

Misappropriated and Improper Disbursements and Missing Money	<p>From February 2023 through October 2024, money totaling at least \$222,605 was misappropriated or inappropriately spent. During this time, the Sheriff made improper and/or unsupported payments totaling \$166,105, withdrew \$47,500 in cash from office bank accounts, and cashed 2 checks totaling \$9,000 payable to his office. In addition, office personnel did not deposit at least \$1,988 in commissary receipts between March 29, 2023, and April 18, 2024, and the money is missing.</p>
Accounts Outside County Treasury	<p>The Sheriff maintained the Benevolent Fund, K-9 Fund, and CCW Fund accounts outside of the county treasury. The Sheriff diverted county receipts collected by his office to these accounts, which allowed additional funds to be available for the improper spending discussed in finding number 1. The Sheriff also created accounts (e.g., Retained Earnings and Commit Time) within the commissary system to record certain receipts he improperly retained in the Commissary bank account and excluded from monthly turnovers of commissary net proceeds to the County Treasurer.</p>
Accounting Controls and Procedures	<p>Sheriff's office accounting controls and procedures need significant improvement. The lack of segregation of duties and adequate accounting controls and procedures resulted in the improper and unsupported payments. The Sheriff did not segregate accounting duties or perform supervisory reviews of detailed accounting and bank records. Sheriff's office procedures for receipting, recording, and depositing were inadequate. As a result, personnel did not deposit all receipts and money is missing. The Sheriff's office did not use pre-numbered bond forms or issue receipt slips immediately for bond money received. In addition, while staff maintained a bond log, it was not sequentially numbered to allow personnel to account for all receipts. Sheriff's office personnel did not prepare bank reconciliations for the Main, Evidence, Benevolent Fund, CCW Fund, and K-9 Fund bank accounts. In addition, they did not maintain book balances for the Evidence, Benevolent Fund, CCW Fund, and K-9 Fund accounts and did not maintain an accurate book balance for the Main account. Personnel did not prepare lists of liabilities for the Main, Evidence, and Commissary bank accounts. The Sheriff's office did not retain adequate supporting documentation for 27 of 51 disbursements reviewed (53 percent) totaling \$96,837 during the period January 2023 through April 2024, including improper and questionable disbursements discussed in finding number 1. The Sheriff did not establish adequate controls over the signature stamp and blank check stock for the Commissary account.</p>
Prisoner Boarding	<p>The Sheriff's office did not enter into written contracts with 12 of 14 counties for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. The Sheriff's office over billed the 2 counties it had written contracts with by \$7,513 during the 2 years ended December 31, 2023. The over billings resulted from billing at higher than the contracted rates. The Sheriff's office had not performed an evaluation of the costs of housing inmates to ensure billing rates were sufficient to recover all costs.</p>

Seized Property Controls	Sheriff's office personnel did not maintain complete, accurate records of seized property, and did not conduct periodic physical inventories of seized property. A judgmental selection of 20 items from the seized property inventory system identified 4 items that could not be located: \$6 cash, ammunition, a turkey fryer burner, and a blood sample.
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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 Randolph County Sheriff

Misappropriated and Improper Disbursements and Missing Money

The County Commission:

- 1.1-1.2 Work with law enforcement, as necessary, regarding criminal prosecution for the improper cash withdrawals, cashed checks, and payments, and take necessary actions to obtain restitution, if possible.

The Sheriff:

- 1.1-1.2 Ensure all disbursements are a necessary and prudent use of public funds, discontinue making purchases from the Commissary bank account, and disburse excess funds as appropriate. In addition, ensure travel expenses including meals are reimbursed in accordance with county policy and work with the County Commission to establish policies regarding food and gift purchases, if such purchases are considered necessary. Further, discontinue paying employee bonuses and work with the County Commission to ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the IRS as employee compensation. Finally, solicit competitive bids for all applicable purchases in accordance with state law. Documentation of bids solicited and justification for bid awards should be maintained.
- 1.3 Work with the County Commission and other law enforcement officials regarding criminal prosecution of the missing money and take the necessary actions to obtain restitution.

Accounts Outside County Treasury

The County Commission and the Sheriff ensure the Sheriff does not maintain bank accounts outside the county treasury, ensure all money is disbursed to the County Treasurer timely as required by state law, close the unallowed accounts, and turn over account balances to the County Treasurer.

Accounting Controls and Procedures

The Sheriff:

- 3.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 3.2 Establish controls for receipting, recording, and depositing money received including immediately issuing prenumbered receipt slips for all money received and ensuring the method of payment is indicated on all receipt slips, receipt slips are issued in numerical sequence, the composition of receipts is reconciled to the composition of deposits, and all money received is deposited timely and intact.
- 3.3 Use prenumbered bond forms and/or issue prenumbered receipt slips immediately upon receipt. Reconcile the jailer's bond log to the court turnover log and the Administrative Assistant's receipt slips. In addition, account for the numerical sequence of the receipts/forms

and reconcile the amounts on the documents to the amounts transmitted.

- 3.4 Ensure cumulative book balances, adequate monthly 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.
- 3.5 Ensure adequate supporting documentation is maintained for all disbursements, and all records are retained in accordance with state law.
- 3.6 Establish proper controls over the signature stamp and blank checks that includes restricted access.

Prisoner Boarding

The Sheriff work with the County Commission to obtain written agreements with all counties for the boarding of prisoners, refund any overbillings, and develop procedures to ensure all prisoner boarding costs are accurately billed. In addition, the Sheriff periodically review the cost of boarding prisoners and establish billing rates that are sufficient to recover costs.

Seized Property Controls

The Sheriff maintain complete and accurate seized property records, ensure a periodic inventory is conducted and reconciled to the seized property records, and investigate any differences.