Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Newton County Collector and Property Tax System

Property Tax System Controls and Procedures

The County Clerk, County Auditor, and County Commission did not adequately review the financial activities of the County Collector's office. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. In addition, the County Clerk, County Auditor, and County Commission did not perform procedures to verify the accuracy and completeness of the former County Collector's annual settlements. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector reviews the tax books for accuracy, but this is effectively reviewing her own work. The County Collector, County Assessor, and County Clerk do not always retain records of changes (i.e., additions and abatements) entered into the property tax system. Some court orders and original tax statements with notes about additions or abatements could not be located in the County Collector's, County Assessor's, or the County Clerk's offices.

Tax Maintenance Fund Budget

The county budgeted a deficit fund balance for the Tax Maintenance Fund (TMF) for the year ending December 31, 2024. The County Auditor explained this was his first year completing budgets and he was still learning at the time and the County Commission did not detect the error when reviewing the budget. When considering the beginning fund balance and the budgeted receipts and disbursements, the county projected an ending fund balance for the TMF of negative $39,323. The Missouri Constitution requires political subdivisions to ensure expenditures do not exceed revenue plus any unencumbered fund balance.

Change Fund

The County Collector's office does not maintain the change fund at a constant amount. A cash count of the County Collector's office completed in June 2025 indicated the change fund was $1,800, split among the 5 cash drawers held within the office. An additional $197 was also found in a bank bag locked in the County Collector's desk drawer and the County Collector stated she was not sure of the purpose of the money, but it may have been part of the change fund. According to a memorandum of understanding dated November 16, 2016, the Newton County Commissioners established a cash fund for the County Collector to be set at $900.

In the areas audited, the overall performance of this entity was **Good**.*

*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.

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RECOMMENDATION SUMMARY

Recommendations in the audit of the Newton County Collector and Property Tax System

Property Tax System Controls and Procedures	1.1	The County Clerk and County Auditor maintain an account book with the County Collector. In addition, the County Clerk, County Auditor, and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
	1.2	The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.
	1.3	The County Commission, County Clerk, and County Assessor develop procedures to ensure all property tax system changes are properly monitored and records of changes are retained.
Tax Maintenance Fund Budget		The County Collector, County Auditor, and County Commission discontinue deficit budgeting and implement procedures to detect budget errors.
Change Fund		The County Collector maintain the change fund at a constant amount and reconcile the fund to the authorized balance with each deposit.