Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Bates County Sheriff

Wasted Public Resources	From at least July 2021 through June 2024, the Sheriff wasted public resources totaling at least $178,382, by maintaining a Mounted Patrol (MP) and funding a Sheriff's Posse (Posse) that had little or no apparent law enforcement purpose, funding rodeo and community events, donating to various private organizations, holding parties, and using county assets for personal use. The Sheriff attributed many of the purchases to community policing efforts but did not have documentation to support how the purchases achieved the goals of a community policing program or that his office had such a program with a stated goal, mission, or policies and procedures.
Cash Reserves and Restricted Funds	The Law Enforcement Fund cash balance generally increased beginning in 2020 and, as of December 31, 2023, totaled $2.6 million and the County Commission did not have a plan for use of this significant balance or to reduce the Law Enforcement Sales Tax rate. Accumulating an excessive cash balance without documented, long-term plans for use of this money puts an unnecessary burden on taxpayers and contributed to the Sheriff's ability to spend taxpayer money inappropriately. The county did not properly track the balance of sales taxes restricted for law enforcement services and improperly uses restricted Inmate Security Fund money to purchase items.
Payroll Controls and Procedures	The Sheriff's payment of matching contributions for employee retirement resulted in lost county funds. Beginning in 2019, the Sheriff elected to pay 3% of the 6% required employee contribution, effectively matching each employee's contribution. The Sheriff does not have the statutory authority to make such contributions on behalf of his employees and because the election was not properly identified, the CERF refunded employees for amounts paid with county funds rather than the county when they left county employment. Refunds totaling $263,547 were issued to unvested Sheriff's office employees from 2019 to 2025. The county should have received $131,773 of this. The Sheriff's office did not calculate compensatory time for non-law enforcement employees in accordance with the Fair Labor Standards Act (FLSA) and, as a result, the county underpaid 43 current and former employees overtime compensation totaling $37,927 as of June 30, 2024. The Sheriff advanced 80 hours compensatory time to each of his employees to create a payroll hold back period, but did not ensure the employees earned sufficient compensatory time to repay the advance. As of June 30, 2024, 20 employees had negative compensatory leave balances totaling $35,708. An additional 8 employees left county employment with negative compensatory balances totaling $6,783, which is still owed to the county. The County Clerk's office did not maintain centralized leave records including sick, vacation, and compensatory time for Sheriff's office employees.
Concealed Carry Weapon Permit Fees	The Sheriff improperly waived the concealed carry weapon permit fees for some applicants. From October 10, 2023, to December 31, 2023, he reduced the new application fee from $100 to $1 and the renewal fee from $50 to $1 "due to the instability around the world, and a duty to help citizens protect themselves." As a result, applicants in other months paid higher fees and the Sheriff did not charge a rate sufficient to cover issuance costs during this period.

Accounting Controls and Procedures

The Sheriff's office did not disburse all bond money collected. The audit noted 23 undisbursed amounts for the inmate/commissary bank account labeled as "bonds" totaling $1,791 that the Administrative Assistant was unaware of and she did not know how long the funds had been in the account. Sheriff's office personnel do not perform adequate bank reconciliations of the inmate/commissary account and do not prepare monthly lists of liabilities for the Sheriff's fee and inmate/commissary accounts. The Administrative Assistant does not perform procedures to identify outstanding checks, deposits in transit, and other reconciling items for the inmate/commissary account. As a result, as of December 31, 2023, there was an unidentified balance of $114,946 in the inmate/commissary account and a shortage of $93 in the fee account.

Commissary Controls and Procedures

The Commissary Coordinator has not established adequate inventory controls and procedures over commissary items sold to inmates. The Commissary Coordinator orders e-cigarettes and certain personal care products when she visually observes the supply is low. The Commissary Coordinator does not track inventory remaining on hand, conduct periodic physical inventory counts, or reconcile commissary sales to the commissary inventory records. In addition, commissary inventory items are not maintained in a secure location. The Sheriff's office does not charge and remit sales tax on commissary sales of e-cigarettes and certain personal care products.

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.

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RECOMMENDATION SUMMARY

Recommendations in the audit of the Bates County Sheriff

Wasted Public Resources	1.1 The County Commission and Sheriff ensure all disbursements, including those related to the Mounted Patrol (MP) and Posse, are a necessary and prudent use of public funds, and discontinue any programs that do not serve a law enforcement purpose for the county. If the County Commission chooses to continue subsidizing the Posse, it should work with the Sheriff to obtain written agreements with it. The Sheriff should ensure all county assets are used only for law-enforcement purposes and maintained at county approved locations. Finally, the Sheriff and the County Commission should establish policies regarding food and event purchases, if such purchases are considered necessary. 1.2 The Sheriff establish policies and procedures outlining its community policing program, and document how efforts meet established program goals.
Cash Reserves and Restricted Funds	The County Commission: 2.1 Evaluate funding needs and consider revising the law enforcement sales tax rate. Plans made for expending the accumulated cash balance should be set forth publicly in the budget documents. 2.2 Ensure all law enforcement sales tax revenues are deposited into a separate fund or there is a separate accounting of the restricted money, and ensure restricted revenues are used only for allowable purposes.
Payroll Controls and Procedures	The County Commission and Sheriff: 3.1 Seek guidance from County Employee Retirement Fund (CERF) personnel on appropriate steps to comply with state regulations. 3.2 Work to adopt detailed personnel policies for overtime to ensure employee payroll is consistent with county policy and the Fair Labor Standards Act (FLSA). 3.3 Discontinue the practice of providing pay advances to employees and require repayment of the advances made. 3.4 Ensure the County Clerk continues to maintain centralized leave records.
Concealed Carry Weapon Permit Fees	The Sheriff charge all applicants for Concealed Carry Weapons (CCW) application and renewal fees according to the established fee schedule and set fees each budgeting cycle based on an estimate of actual costs and expenses to be incurred, as required by state law.

Accounting Controls and Procedures

The Sheriff:

5.1 Establish procedures to ensure all bond money is properly disbursed. If any money remains unidentified it should be disbursed in accordance with state law.

5.2 Ensure adequate monthly bank reconciliations and lists of liabilities are prepared and the lists of liabilities are reconciled to the available cash balance. Any differences should be promptly investigated and resolved. If any money remains unidentified it should be disbursed in accordance with state law.

Commissary Controls and Procedures

The Sheriff:

6.1 Maintain detailed commissary inventory records and periodically reconcile commissary records to inventories purchased and sold. In addition, ensure commissary inventory is maintained in a secure location.

6.2 Contact the Department of Revenue (DOR) for guidance on establishing procedures for charging and collecting sales tax on commissary sales, and ensure future sales tax collections are remitted to the DOR.