



CITIZENS SUMMARY

Findings in the audit of Lawrence County

County Collector Controls and Procedures	The County Collector's annual settlements were inaccurate, and on the annual settlement for the year ended February 29, 2012, tax book charges were understated by \$2.7 million compared to amounts reported in the property tax system. The County Collector did not properly calculate commissions, resulting in \$36,252 owed to schools from the General Revenue and Assessment Funds. The County Collector did not prepare a list of liabilities for the property tax collection bank account and reconcile it to the available cash balance, and there was an unexplained difference of \$25,266. Receipt slips are not issued for partial payments, and partial payment ledgers are not accurate and complete. The County Collector did not distribute interest earned timely and used incorrect ratios when calculating surtax distribution amounts.
Property Tax System Controls and Procedures	Neither the County Commission nor the County Clerk adequately reviewed or verified the amounts on the County Collector's annual settlements, and the County Clerk does not prepare the current or back tax books or verify the accuracy of the tax books. The County Assessor enters additions and abatement into the property tax system and also has the ability to change tax rates, and no one compares approved changes to actual changes made to the property tax system. Similar findings were contained in the prior report.
Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney's utilizes four separate receipting systems (two electronic and two manual) to track bad check restitution and fees and court ordered restitution, and none of the receipting systems contained a complete record of all monies received and processed. Monies received are not always posted to the computerized accounting systems or deposited timely, receipt dates are not always entered accurately and in sequential order, and amounts recorded on manual receipt slips cannot be reconciled to the computerized accounting systems and amounts deposited and transmitted. The bad check clerk receives, records, transmits, and deposits monies, and has the ability and authority to post adjustments to the computer system and grant payment extensions to defendants without independent approval, which increases the risk of errors, irregularities, or misuse occurring without detection.
Financing, Fuel Use, and Sheriff Revolving Fund	Certificates of Participation (COPS) totaling \$4,945,000 were sold in March 2010 in a negotiated sale instead of a competitive sale, and the County Commission did not competitively select the COPS underwriter or legal counsel. Though not required, competitive sales and competitive selections may result in lower costs for the county. The county lacks adequate controls and procedures over road and bridge department fuel use and purchases. Common Road District No. 1's bulk tank fuel use logs are not reconciled to fuel purchases, and Common Road District No. 2 does not maintain fuel use logs. The county did not establish a Sheriff Revolving Fund for concealed weapon permit fees.
Payroll Controls and Procedures	The county is paying more overtime to Sheriff's office employees than is required by law or its policy. Timesheets and leave records are not prepared for some employees, and on the 26th of each month full-time employees receive pay through the end of the month, in advance of services performed. The county's personnel policy does not address the use of unearned leave and some employees were allowed to incur negative sick leave and compensatory time balances.

Jail Operations	Neither the county nor the Sheriff solicited bids for prisoner meal supplies and medical services, and the county houses prisoners for other cities and counties without entering written agreements with these cities and counties. As of March 2012, Jasper County owed the county over \$15,000, and various other cities owed the county a total of \$3,360. Jail receipt slips were not accounted for properly, which increases the risk that loss or misuse of monies will go undetected.
County Commission Meeting Minutes	The county did not maintain minutes of closed meetings, as required by the Sunshine Law.
Recorder of Deeds	The Recorder of Deeds bank account contained a \$1,448 overage. In the prior audit report, auditors identified a \$1,409 overage, and the Recorder of Deeds did not investigate this difference or dispose of the unidentified funds.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

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

American Recovery and Reinvestment Act (Federal Stimulus)	<p>Lawrence County received the following Federal Stimulus funds during the audit period:</p> <p>A \$119,437 Homelessness Prevention and Rapid Re-housing Program grant, all of which was spent on this program providing homelessness prevention assistance and rapid re-housing assistance.</p> <p>A \$20,159 Title V, Section 5001 of the Recovery Act grant for Medicaid expenditures.</p> <p>\$1,267 in Child Care and Development Block Grant monies, all of which was spent on this program for educational materials.</p> <p>\$537 in Immunization and Vaccines for Children Grant monies, all of which was spent on this program.</p>
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*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.