



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Knox County

Financial Condition	As noted in our prior audit, the General Revenue Fund and the Special Road and Bridge Fund remain in poor financial condition. Disbursements have generally exceeded receipts for both funds and are projected to do so again in fiscal year 2012. The county made some poor financial decisions which impacted the county's financial condition.
Property Taxes	As noted in our prior audits, procedures over property tax additions and abatements are not properly segregated or monitored, and the County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Clerk does not maintain an account book with the County Collector, and there are no procedures to review the accuracy of the County Collector's monthly or annual settlements. The method of payment for property tax receipts is not recorded in the property tax system.
Sales Taxes	The ballots, court orders, and county procedures supporting the capital improvement sales tax do not comply with state law. The county violated state law when it attempted to pass a second law enforcement sales tax twice in less than 12 months, and the tax would have exceeded the lawful limit if it had passed. The overall county sales tax records are insufficient.
Property Tax Levy Reductions	The county made several errors when calculating and reporting property tax levy reductions, which negatively impacted the county's general revenue property tax receipts. The county misclassified a 2010 general revenue property levy tax reduction resulting in less property tax revenues, and the 2011 property tax reduction was not sufficient to offset sales taxes received.
County Procedures	As noted in prior audits, the county lacks adequate controls and procedures over fuel and vehicle use, and it does not maintain centralized records of leave balances for all county employees. Compensatory time for Sheriff's department employees is not calculated in accordance with county policy. The county was required to pay \$4,160 because it failed to timely protest the former County Clerk's unemployment claim.
Road and Bridge Materials and Receipting Procedures	As noted in prior audits, the county does not adequately document or monitor monies due from material sales and rock purchases, making it difficult to ensure the county is receiving all monies it is due and paying only for rock actually received. The County Commission and County Clerk's receipting procedures are not adequate.

Prosecuting Attorney's Controls	Accounting duties are not adequately segregated, and the Prosecuting Attorney does not provide adequate oversight of financial functions and records. Receipts are not always deposited timely, receipt slips are not always issued, and accounting records are not adequately reconciled to deposits. Bad check and court-ordered restitution fees are not disbursed to the County Treasurer timely, and checks are not always issued in numerical sequence. As noted in our prior audit, liabilities have not been identified and reconciled with cash balances, and some restitution receipts had not been disbursed at the time of our review. The Prosecuting Attorney frequently reduces charges filed on traffic tickets in exchange for a defendant's donation to the county, but this does not appear to be allowed by Missouri law.
Sheriff's Controls	A Sheriff's deputy was terminated and arrested for theft of seized property, but the Sheriff has not changed seized property procedures. Audit staff identified numerous control weaknesses in its review of receipts and deposits, though most weaknesses were resolved when these duties were assigned to the Sheriff's current bookkeeper.
Computer Controls	As noted in prior audits, passwords are not required to log on to some county computer systems, and passwords for some computer systems are not changed on a periodic basis. None of the county computers have security controls to detect or prevent incorrect log-on attempts, and some county officials do not store backup data at an off-site location.
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 **Poor**.*

American Recovery and Reinvestment Act (Federal Stimulus)	Knox County did not receive any federal stimulus monies during the audited time period.
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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.