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CITIZENS SUMMARY

Findings in the audit of McDonald County

Prosecuting Attorney Controls and Procedures

Accounting duties are not adequately segregated, and adjustments posted to the accounting system are not independently approved. Receipts are not posted to the computerized accounting systems timely and intact, and the receipt dates entered were not always accurate and in sequential order. None of the five receipting systems contains a complete record of all monies received and processed, and monies received were not always deposited intact and timely. Bank reconciliations had not been performed for any of the Prosecuting Attorney's six bank accounts, and errors in disbursing restitution, delinquent taxes, and fees were not detected. The Prosecuting Attorney's office does not have adequate procedures in place to account for and monitor the disposition of all bad checks submitted for collection.

Sheriff Controls and Procedures

The Sheriff paid himself \$13,080 from accountable fees for mileage to serve papers during the 2 years ended December 31, 2011. The Sheriff paid himself \$20 for every paper served, but some papers were served in the same location on the same day or no mileage was incurred. In one month alone the Sheriff received \$396 more than he would have received using the rate prescribed by the Internal Revenue Service and proper number of miles driven. Accounting duties are not adequately segregated, a monthly list of liabilities for the inmate bank account is not prepared and reconciled to cash balances, and the Sheriff has two dormant bank accounts which should be closed. A Sheriff's deputy, who resigned in February 2012, maintained and continues to maintain a Drug Abuse Resistance Education bank account for donations. There is no statutory authority allowing the Sheriff or his deputies to maintain this account outside the county treasury, receipt slips are not issued for donations, adequate supporting documentation for some disbursements was not retained, monthly bank reconciliations were not performed, and the check register was not accurately maintained. The Sheriff's office lacks adequate controls over seized property and several items have been held for a long period of time.

Disbursements

The county did not solicit bids for numerous purchases and did not retain documentation of some bids it did solicit. The county needs to improve controls and procedures over fuel use and purchases.

Payroll Controls and Procedures

The county did not compensate some employees for overtime in compliance with its overtime policy and Fair Labor Standards Act of 1938 (FLSA) requirements. Nonworking time is included in total hours when determining overtime earned, some employees were allowed to carry forward more vacation hours than allowed by the county personnel policy, and the county Emergency Management Director works over the standard 40 hour work week but is not paid overtime as required by county policy and the FLSA. Neither the County Clerk's office nor the employees' supervisors ensure the accuracy of timesheets, leave records, and other payroll records, and timesheets were not signed by some employees or supervisors.

Property Tax System Controls and Procedures	The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books prepared by the County Assessor, neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector, and the County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. The 2010 and 2011 land and personal, railroad and utility, and back tax aggregate abstracts were not prepared timely. A comparison of the initial addition and abatement information prepared by the County Assessor and the additions and abatements entered into the property tax system by the County Collector is not performed. Taxes totaling \$68,000 were outlawed and removed from the tax books by the County Collector without County Commission approval.
County Collector Commissions and Withholdings	The County Collector did not properly calculate some commissions or withholdings. Approximately \$10,500 was under withheld from fire district and surtax collections, and approximately \$7,400 was over withheld from school districts.
County Commission Meeting Minutes	While the County Commission and County Clerk indicated closed session meetings were held, open meeting minutes did not indicate any meetings were closed and minutes for closed session meetings were not maintained.
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)	McDonald 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.