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CITIZENS SUMMARY

Findings in the audit of the New Madrid County Sheriff

Missing Monies

The audit found \$79,766 missing, and at least another \$2,900 of concealed carry weapon (CCW) fees appears to be missing. Problems with CCW records indicate additional fees could be missing. Weaknesses in internal controls and record-keeping procedures allowed these monies to go missing and remain undetected for a significant period of time. Audit staff identified discrepancies between accounting and deposit records and determined monies were missing. We notified the Sheriff of our concerns, and he contacted the Missouri State Highway Patrol to investigate. A commissioned Sheriff's Deputy, who acted as the office manager, was placed on administrative leave, terminated her employment, and was charged with felony theft. The county recently received \$45,000 in restitution for a portion of the missing monies.

Accounting Controls and Procedures

The Sheriff does not adequately segregate accounting duties or provide adequate supervision of financial functions and records, and controls and procedures over receipting and depositing monies are not sufficient. The Deputy was primarily responsible for all accounting duties, including receiving monies, recording transactions, maintaining accounting records, making deposits, transmitting and disbursing monies, and preparing bank reconciliations. The Deputy was an approved signer on the Sheriff bank accounts, which required only one signature, and the Sheriff or other office staff did not compare the composition of monies received to the composition of monies transmitted or deposited. The Deputy did not issue receipt slips for some monies received, the method of payment was not recorded on receipt slips, and the Deputy recorded receipt slip entries that represented a combination of multiple payments received. The Deputy did not deposit receipts intact or timely or include an itemized listing of cash, checks, and money orders on the deposit slips. Jail personnel did not always issue bond receipt slips in numerical sequence and did not retain original copies of some voided and skipped receipt slips. The Deputy did not maintain records to account for all CCW renewal monies received, did not account for the numerical sequence of CCW applications, and did not reconcile applications to CCW receipt slips and deposits. The Sheriff's office had not disbursed CCW fees collected from March 2004 to February 2013 to the County Treasurer, and these funds were not budgeted or reported to the County Commission. The Sheriff's office does not track civil and criminal process papers served or reconcile papers served to monies received. The Deputy only remitted approximately 10 percent of the total recorded process fees and mileage collected to the County Treasurer for Deputy Sheriff Salary Supplementation Fund fees instead of the \$10 collected for each civil paper served. The Sheriff lacks physical controls over monies received, blank checks, and signature stamps. Bond monies were kept in an unlocked safe, other monies and blank checks were kept in an unlocked desk drawer, and the Deputy and the secretary each had a signature stamp of the Sheriff, which was not secured.

Sheriff's Office Procedures

The Sheriff maintains the Federal Forfeiture Fund outside the county treasury, which is not authorized by state law, did not prepare a budget for the fund, and did not submit required reports. The county charges cities \$15 a day to house prisoners, but it has not performed a calculation of daily prisoner costs to ensure the billing rate is sufficient to recover all costs. The Sheriff and County Commission have not entered into written agreements with surrounding counties and cities for the board of prisoners, and the Sheriff does not maintain a list of amounts billed, collected, or owed, or otherwise track billed amounts to ensure payment is received. The Sheriff's office did not submit inmate transportation reimbursements requests to the Department of Corrections for the 2 years ended December 31, 2012, until audit staff made inquiries. The county subsequently received \$50,049 for these claims.

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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