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CITIZENS SUMMARY

Findings in the audit of Webster County Procurement Procedures and County Clerk

<p>Improper Purchases, Missing Receipts, and Unauthorized/Unapproved Purchases</p>	<p>The former Administrative Assistant to the County Clerk made a total of at least \$17,676 in improper personal purchases with county credit cards, county charge accounts, and county checks, and this activity remained undetected for more than 3 years. In addition, this employee did not transmit \$201 received to the County Treasurer, and additional monies could be missing. This employee also purchased \$774 worth of items, including gift cards, a clock, and head phones, without authorization. Billy Breitenstein, the former Administrative Assistant, was charged with felony stealing and fraudulent use of a credit device on June 9, 2014.</p>
<p>Procurement Controls and Procedures</p>	<p>The County Commission and County Clerk did not adequately segregate county procurement duties or provide adequate oversight, which allowed the misappropriation to continue undetected for a significant period of time. In addition, the Administrative Assistant was allowed to use flextime during the regular work week and he sometimes worked when no one else was present, which likely contributed to the misappropriation of funds. The County Commission and the County Clerk did not perform adequate reviews of vendor jackets, credit card statements, invoices, or other supporting documentation. The Administrative Assistant sometimes created, altered, or did not submit credit card statements for review, and also misclassified purchases in the county's accounting system to conceal improper purchases. The County Commission and County Clerk lack adequate physical controls and written policies to ensure the appropriate usage of credit cards. Neither the County Commission nor the County Clerk performed adequate reviews of Staples charge account activity and supporting documentation, which allowed improper personal and unauthorized purchases. Also, because there was no reconciliations of invoices to the vendor jacket, the county overpaid Staples \$1,000 in January 2013. Staples applied the overpayment to subsequent purchases, but \$360 is still due the county.</p>
<p>County Clerk Receipts</p>	<p>The County Clerk did not adequately segregate accounting duties or provide adequate oversight of receipts, transmittals, and related records, which increases the risk of loss, theft, or misuse of funds going undetected. The county's controls and procedures over receipting and transmitting monies are not sufficient, and there is no assurance all monies received are transmitted. The Administrative Assistant and other office personnel did not always issue receipt slips for monies received, indicate the method of payment, issue receipt slips in numerical sequence, retain copies of voided and blank receipt slips, and did not record some monies received on the month-end transmittal report and transmit them to the County Treasurer.</p>

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**.*

*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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