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CITIZENS SUMMARY

Findings in the audit of Texas County

Tax Maintenance Fund	<p>Due to a disagreement with the County Commission, the County Collector-Treasurer opened a separate Tax Maintenance bank account and used this account for some deposits and disbursements instead of using the county's Tax Maintenance Fund. This activity was not recorded in the county's accounting system or reflected in the county's financial statements resulting in the county not issuing some required 1099-MISC forms. The County Collector-Treasurer made more than \$10,000 in disbursements that were not in compliance with state law and/or did not appear reasonable. Purchases included security equipment and installation; a 47-inch flat screen television; cooking supplies, food, and catering services for "customer appreciation" events; a gaming system and video games; a tablet computer; a laptop; office decorations; and cable television service. Under state law the Tax Maintenance Fund is to be used for administration and operation costs of the office of the County Collector-Treasurer.</p>
County Collector-Treasurer Controls and Procedures	<p>The County Collector-Treasurer and her deputies improperly waived and adjusted as much as \$7,830 in penalties and interest on delinquent taxes for some taxpayers and needs to improve procedures and records related to the collection of partial payments. The County Collector-Treasurer did not ensure complete and accurate bank reconciliations or lists of liabilities were performed and did not document her reviews. The County Collector-Treasurer has not ensured overpayments received are documented or refunded properly. The County Collector-Treasurer does not have procedures to reverse recorded payments for insufficient fund checks and the County Clerk incorrectly entered the effective date on which penalties would begin being charged on delinquent taxes.</p>
Public Administrator Controls and Procedures	<p>The former Public Administrator did not timely file annual settlements for active wards, did not timely file settlements following the death of a ward for at least 17 cases, and did not assess and collect fees from the accounts of some wards and estates. Similar weaknesses had been discussed in one or more prior audit reports. The former Public Administrator also did not make payments timely, maintain adequate supporting documentation for some disbursements, and did not prepare monthly bank reconciliations for any bank accounts.</p>
Prosecuting Attorney Controls and Procedures	<p>The Prosecuting Attorney has not adequately segregated accounting duties or performed a supervisory review of accounting records. The Bad Check Clerk does not prepare a monthly list of liabilities and reconcile the list to the cash balance. The Prosecuting Attorney's office does not adequately monitor the collection of court-ordered restitution, account for and monitor the disposition of all bad checks submitted to the office, ensure information recorded in the computerized accounting system is accurate and reliable, or routinely follow up on outstanding checks.</p>

Sheriff Controls and Procedures	As noted in our prior 3 audits reports, the Sheriff has not adequately segregated accounting duties and has not established a supervisory review of accounting records. The Jail Administrator had not performed a bank reconciliation since October 2010, and the bank reconciliations prepared at our request identified 397 checks that had been outstanding for more than one year. The Sheriff has not established adequate controls over seized property.
Minutes and County Procedures	The County Commission did not approve 8 of 49 open meeting minutes during 2012, the County Commission and the County Clerk do not always agree on the accuracy of the minutes and do not resolve their differences, topics discussed in closed meetings were not always cited in open meetings, and roll call votes to enter the closed meeting were not always documented. The county did not solicit requests for proposals or enter into written agreements for several professional service purchases. Some county officials do not require their staff to change computer passwords periodically, while others allowed staff to share passwords. The county lacks procedures to ensure 1099-MISC forms are prepared and filed as required.
County Assessor Receipts	The County Assessor does not always issue receipt slips for monies received, record all receipts on a log when received, or account for the numerical sequence of receipt slips issued.
Wri-Tex 911 Operations Fund	The Wri-Tex 911 Executive Board has not developed a plan to address the declining financial condition of the Wri-Tex 911 Operations Fund. The cash balance has fallen from \$157,062 in 2011 to a budgeted \$28,610 in 2014. Texas County did not have the authority to transfer an administrative fee from the Wri-Tex 911 Operations Fund to the county's General Revenue Fund.
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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