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CITIZENS SUMMARY

Findings in the audit of Osage County

Questionable Purchases and Misuse of County Assets

On August 7, 2014, a Road and Bridge foreman resigned his position after being confronted with allegations of questionable purchases and misuse of county assets. The county provided information to the Prosecuting Attorney, and as of November 30, 2014, no charges had been filed as the Prosecuting Attorney has requested additional information which has not yet been provided. The county did not always follow procedures over rock purchases, and Road and Bridge department controls and procedures identified 21 unusual and questionable rock purchases totaling \$641. Various county officials and employees are authorized to purchase items from the Missouri State Agency for Surplus Property, but the county cannot locate several of the items purchased, most or all of which were purchased by the former foreman.

Payroll Records, Policies, and Procedures

Despite prior audit recommendations back to at least 1989, a recent legal settlement with a former employee, and the implementation of a standard county-wide timesheet, county payroll records and policies and procedures still need significant improvement. The County Clerk does not maintain centralized records of vacation, sick leave, and compensatory time or monitor balances for compliance with county policies and/or the Fair Labor Standards Act of 1938 (FLSA). We identified several errors in employee leave and compensatory time accruals which could have been detected by the County Clerk's office if centralized records and oversight procedures were in place. The FLSA and county policy require overtime be paid or compensatory time awarded at a rate of time and one-half, but the county awards compensatory time as straight time off. County policy does not distinguish between law enforcement employees and other employees for compensatory time/overtime purposes, as allowed by the FLSA. The county includes non-working time when calculating employee overtime, but the FLSA indicates it should not be used in the calculation of overtime. The county's vacation policy is not clear, and some Sheriff's department employees are awarded sick leave in excess of the county policy.

Review of Property Taxes

Neither the County Clerk nor the County Commission adequately review the financial activities of the County Collector. The County Clerk's account book is not accurate, does not track the taxes charged to the County Collector, and does not agree to the annual settlements submitted by the County Collector.

Sheriff Procedures

As noted in our 3 prior audit reports, the Sheriff's bookkeeper does not timely deposit monies received. The Sheriff's department does not account for the numerical sequence of bond forms issued or maintain a log of bond forms issued, does not always maintain copies of bond forms issued, and was unable to locate 8 bond forms. The Sheriff's department does not maintain a master listing of all seized property and does not conduct periodic inventories of seized property. The Sheriff spent approximately \$6,000 on department renovations but did not maintain records supporting donations received and maintained the donations outside the county.

treasury. In addition, renovation project purchases were not made through the normal county procurement and budget process.

911/Emergency Management Department Receipts	The 911/Emergency Management department does not issue receipt slips for most monies received, utilized generic receipt slips, did not issue receipt slips sequentially, and did not always record the method of payment on receipt slips.
Capital Assets and Fuel Usage	County capital asset records are not complete and up to date. The County Clerk did not request annual inventories and inventory reports from various county officials and none of the county offices conducted inventories or submitted inventory information to the County Clerk during 2013. The Road and Bridge fuel tanks are not metered, and fuel usage is not reconciled to fuel purchases.
Computer Controls	Several offices lack adequate computer password controls. Neither the County Collector nor the County Assessor have security controls in place to lock computers after a specified number of incorrect logon attempts, county offices do not periodically test backup data, and the County Treasurer does not store backups 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**.*

*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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