



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Shannon County

Financial Condition and County Sales Tax

The county's Special Road and Bridge (SRB) Fund financial condition has continued to decline over the past several years, and the county's General Revenue (GR) Fund has significant liabilities not reflected in the cash balances. SRB Fund disbursements have generally exceeded receipts and are projected to again exceed receipts in 2014. The county's 2014 GR Fund budget estimated revenues would decrease by about \$91,000 while expenditures would increase by about \$214,000. As of December 31, 2013, the GR Fund owes the SRB Fund \$139,898 for excess administrative transfers and incorrect payment of payroll taxes from the SRB Fund for non-road and bridge employees. In 2013, the county inappropriately transferred \$15,797 from the Sheriff's Revolving Fund to the GR Fund. Property tax reductions were not sufficient to offset 50 percent of sales tax monies received by approximately \$260,000. The county did not perform sales tax reduction calculations, and therefore, did not have documentation to support property tax levy reductions reported to the State Auditor's office or demonstrate compliance with state law.

County Collector's Controls and Procedures

The County Collector had not prepared annual settlements since taking office March 1, 2007. The County Collector did not routinely prepare monthly lists of liabilities and compare the balance to the reconciled bank balance and, she did not investigate any differences for months for which a comparison was performed. In addition, the County Collector does not maintain a running check register balance. Further, the County Collector did not use the correct withholding rates for current personal property tax collections for the Assessment Fund in November and December 2013, and she found similar errors on the November and December settlements in 2011 and 2012. The County Collector also failed to withhold mailing commissions on current delinquent real estate and personal property taxes, and has not withheld mailing commissions on current delinquent real estate and personal property taxes since she took office in 2007. The total not withheld likely exceeds \$5,000.

Property Tax System Controls and Procedures

Access to the property tax system is not adequately restricted. The County Collector and her deputies have access rights in the property tax system, which allows changes to be made to individual tax records throughout the tax year. In addition, the County Clerk does not prepare or verify the accuracy of the current and delinquent tax books prepared by the county's computer programmer.

Sheriff's Controls and Procedures

The office manager's receipting and transmitting procedures are not adequate. Receipts are not always transmitted intact, the numerical sequence of receipt slips is not accounted for properly, and the composition of receipts is not reconciled to the composition of transmittals. Checks and money orders are not restrictively endorsed immediately upon receipt, and transmittals are not made timely. The office manager did not adequately identify Deputy Sheriff Salary Supplementation Fund (DSSSF) fees collected on civil process papers on transmittal reports. Additionally, the

Sheriff does not deposit inmates' monies, but instead keeps the cash in separate envelopes for each inmate along with his/her personal effects.

County Procedures	The Sheriff authorized \$18,285 of unallowable disbursements from the Sheriff's Revolving Fund during 2013. The County Clerk does not maintain overall county property records and none of the county officials or departments perform and submit an annual inventory list. The Sheriff does not require mileage logs to be maintained for some Sheriff's office vehicles. Full-time employees of the Sheriff's office do not prepare timesheets, and the value of personal commuting mileage for using a county-owned vehicle to commute between home and work is not reported on road and bridge employees' W-2 forms as required by Internal Revenue Service guidelines.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney does not provide adequate oversight to ensure all monies received are properly transmitted to victims or fees deposited and disbursed to the County Treasurer. The Prosecuting Attorney's secretary does not prepare monthly bank reconciliations and listings of liabilities, maintain a running check register balance, compare total deposits for the month with the amounts of fees disbursed to the County Treasurer, and has allowed unidentified amounts to accumulate in the bank account. Receipts are not deposited timely, and receipt slips are not issued for court-ordered restitution monies received. The Prosecuting Attorney defers prosecution on certain non-traffic tickets by requiring defendants to make a donation to the county's Law Enforcement Restitution Fund. There is no authority for the Prosecuting Attorney to require a donation to dismiss charges filed on these tickets.
Public Administrator's Annual Settlements	The Public Administrator does not always timely file annual settlements in compliance with state law. In addition, the Probate Divisions does not timely notify the Public Administrator prior to the deadline for the annual settlement or follow up on annual settlements not filed by the required date.
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 **Fair**.*

*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.

All reports are available on our Web site: auditor.mo.gov