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# CITIZENS SUMMARY

## Findings in the audit of Marion County

### Senate Bill 40 Board's Expenditures

The Marion County Services for the Developmentally Disabled (MCSDD) operates a day program and 4 independent supported living homes. The MCSDD has multiple credit cards that are used by employees to purchase fuel, supplies, equipment, and various other items without board approval, and, at times, without appropriate documentation. The MCSDD Board has not adopted formal policies and procedures documenting who should be assigned a credit card or required documentation to support credit card purchases, which is necessary to provide guidance to employees. The MCSDD did not maintain documentation of or solicit bids for durable medical equipment. It also issued checks for cash to transfer money between funds, to get cash for purchases, and to provide spending money for clients. The executive director's signature is the only signature required on checks issued for less than \$2,500 including checks written to the executive director. The MCSDD issues payroll loans to its employees and awards gifts to employees, both in violation of the Missouri Constitution. Late fees were incurred due to untimely bill payment, and the MCSDD has incurred overdraft charges on its bank accounts.

### Senate Bill 40 Board's Controls and Procedures

Some checks received in the mail were not recorded in the mail log. The MCSDD does not issue receipt slips for cash donations, and money is not always promptly recorded. There is no documented reconciliation of receipt logs to amounts entered into the accounting system, and checks were not restrictively endorsed immediately upon receipt. The bank reconciliation for the payroll account was not properly prepared and a list of outstanding checks was not prepared, which provides little assurance that receipts and disbursements have been properly handled. The MCSDD Board has not established procedures to follow up on outstanding checks, which is necessary to prevent the accumulation of these checks. The MCSDD Board discussed issues in closed meetings that are not allowable under the Sunshine Law and open meeting minutes did not cite the specific statute and subsection allowing closed sessions. The MCSDD Board did not post notification or agendas for meetings, in violation of the Sunshine Law, and did not publicize financial statements.

### Sheriff's Controls and Procedures

The sheriff maintains proceeds from commissary sales in the commissary account and uses the money to purchase items for jail operations and the sheriff's office. The sheriff did not solicit bids for items purchased with commissary net proceeds and sales tax was paid on several purchases. The sheriff has not adequately segregated accounting duties, does not review accounting records, and does not document his review of the commissary bank reconciliations. Receipt slips are not always issued when money is received, deposits are not made timely, and checks are not restrictively endorsed immediately when received.

### County Assessor's Controls and Procedures

The county assessor's office does not issue receipt slips for money received in the mail, and cash receipts are not transmitted to the county treasurer.

Electronic Data Security	The county collector, prosecuting attorney, sheriff, recorder of deeds, county assessor, public administrator, and the MCSDD have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The county coordinator does not back up computer data and the prosecuting attorney does not store backup files at an offsite location leaving these offices at risk if data is lost or destroyed. The county collector, prosecuting attorney, recorder of deeds, county assessor, public administrator, and county coordinator do not have security controls in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity.
County Policies and Procedures	Mileage logs are not maintained to track personal commuting use of county vehicles by the road and bridge supervisor and the county coordinator. Timecards are not prepared and submitted to the county clerk's office and leave is not granted for salaried employees in compliance with county policy. The county does not reconcile fuel usage to fuel purchases, which is necessary to ensure the reasonableness and propriety of fuel use. The county used the same provider to serve as both financial advisor and underwriter for lease participation certificates issued, which creates an inherent conflict of interest because an underwriter's incentive is to have a higher interest rate on bonds to make them more attractive to investors, while the advisor should strive to keep the interest rate low to minimize borrowing costs. Although two of the county commissioners received hockey game tickets from the bond underwriter, they stated the tickets did not influence any of their decisions made in regards to the refinancing of the debt.
County Collector's Controls and Procedures	The county collector's office does not always use the actual date of receipt when recording payments and does not account for the numerical sequence of receipt numbers assigned by the computerized property tax system, which is necessary to reduce the risk of loss, theft, or misuse of funds.
Other Notes	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.

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