



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Stone County

County Procedures	The county lacks procedures to account for fuel use by the road and bridge department and the Sheriff's office. The Sheriff and County Commission did not solicit bids for vehicles. In addition, the County Commission did not solicit requests for proposals for insurance brokerage services, and did not obtain appraisals prior to some property purchases. There were a number of questionable purchases from the Inmate Prisoner Detainee Security Fund. State law restricts how deposits to this fund can be spent.
Electronic Data Security	Numerous county offices lack adequate password controls to reduce the risk of unauthorized access to computers and data. Many employees are not required to change passwords periodically, one County Commissioner's computer does not require a password, and user access is not always promptly deleted after a computer user ends employment. Security controls are not in place to lock most county computers after a specified number of incorrect logon attempts or after a certain period of inactivity. Additionally, the Sheriff's office and the Prosecuting Attorney's office do not store data backups at an offsite location, and neither office periodically tests their backup data.
Payroll and Related Matters	Timesheets and leave records are not prepared for 17 salaried employees, who are paid in advance of time worked. As a result, the county cannot substantiate compliance with Fair Labor Standards Act (FLSA) requirements, and there is no documentation to support or justify paid time off taken by these employees. The county is not compensating some employees for overtime in compliance with its overtime policy and the FLSA. In addition, the county failed to withhold and report some payroll and income taxes. The County Commission has not adopted formal policies related to the employment and supervision of related employees. Timecards and grant timesheets prepared by Sheriff's office employees were not reviewed and signed by the Sheriff, and the Sheriff does not properly control his signature stamp.
Property Tax System Controls and Procedures	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and County Commission do not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. The County Clerk does not prepare the current or delinquent tax books and verification work performed of the accuracy of the books is not documented. The County Clerk and County Commission do not review and approve property tax additions or compare court orders or other supporting records to actual changes made to the property tax system.
County Collector's Controls and Procedures	The County Collector has not adequately segregated accounting duties and independent or supervisory reviews of accounting and bank records are not performed. The County Collector has not established proper controls or procedures for receipting, recording, and reconciling monies. The County Collector does not account for the numerical sequence of receipt numbers assigned by the computerized property tax system and the property tax

system does not have controls to prevent the County Collector or office personnel from changing the date of receipts in the system. The County Collector does not maintain a petty cash ledger or adequate documentation to support petty cash transactions.

Sheriff's Controls and Procedures	The Sheriff's office does not prepare monthly lists of liabilities for the trust bank account, liabilities are not reconciled to the available cash balance, bank reconciliations are not accurately prepared, and a running check register balance is not maintained. Also, the list of seized cash prepared by the Evidence Officer was not used to reconcile to the available cash balance of the seized cash bank account. The Sheriff has not established proper controls or procedures for receipting, recording, and depositing monies. Supporting documentation was not always obtained and properly reviewed to ensure the accuracy of jail commissions received. In addition, the Sheriff has not entered into an up-to-date agreement with the commissary vendor. The Sheriff has not implemented procedures to periodically review cases and dispose of related seized property items, and 3 different computerized systems are used to track seized property, although none of them are accurate. A physical inventory of all seized property has not been conducted since 2013. The Sheriff held an auction to sell seized property and did not deposit the proceeds into the correct fund. The Sheriff did not dispose of a rifle in accordance with a court order.
Public Administrator's Controls and Procedures	The Public Administrator does not always file annual settlements/status reports timely. The Public Administrator has not filed final settlements following the death or assignment of a ward for 11 decedent estates. Additionally, assets, including bank account balances and real estate, had not been distributed to the estates' heirs, used to satisfy claims against the estate, or escheated to the state.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting and bank records. One of the Administrative Assistants has the ability to record adjustments to the computerized accounting system without obtaining independent approval. In addition, a report of adjustments made to the computerized accounting system is not generated and compared to supporting documentation. The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, reconciling, and depositing monies. A list of liabilities is not prepared and reconciled to the available cash balance monthly. In addition, book balances are not maintained, so the bank balance cannot be reconciled to the book balance each month. Office personnel do not document the review of a monthly list of unpaid bad checks and restitution.
Planning and Zoning Department	The planning and zoning Director has not adequately segregated accounting duties or performed supervisory reviews of accounting and bank records. The planning and zoning department has not established proper controls or procedures for receipting and depositing monies and does not have adequate physical controls over monies received and blank checks.
Recorder of Deeds' Controls and Procedures	The Recorder of Deeds has not established proper controls and procedures for receipting and depositing monies collected. In addition, a comparison of the voided receipt reports generated at the time a void transaction occurs to the total number of voided receipts reported on the daily summary collection report is not performed. The Recorder of Deeds does not have adequate physical controls over monies received and signature stamps.

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.

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