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CITIZENS SUMMARY

Findings in the audit of Ozark County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The Sheriff has not established adequate controls and procedures over seized property. The Sheriff does not deposit inmates' monies, but rather keeps the cash in separate envelopes for each inmate. The Sheriff's office has not developed inventory procedures to account for phone cards and e-cigarettes sold to inmates. The Sheriff's office does not charge or collect sales taxes on phone cards or e-cigarettes sold to inmates, and no sales taxes are remitted to the Missouri Department of Revenue. Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.
Ex Officio Recorder of Deeds' Controls and Procedures	The Ex Officio Recorder of Deeds does not prepare timely bank reconciliations and does not maintain an adequate list of liabilities. The Ex Officio Recorder of Deeds has not established proper controls and procedures for receipting and depositing monies, and does not maintain the change fund at a constant amount.
Payroll Controls and Procedures	The County Clerk's office does not ensure timesheet calculations, vacation and sick leave balances, and compensatory time balances are accurate, and does not ensure all timesheets are reviewed and signed by the employee's supervisor. County officials did not always follow established written personnel policies regarding vacation leave and compensatory time, and have not established personnel policies addressing the use of unearned leave and compensatory time used in excess of available balances. Employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid.
Property Tax Reductions	The county did not properly report property tax levy reductions to the State Auditor's Office in 2016, and the County Clerk used an incorrect tax rate ceiling in his sales tax reduction calculations for 2017.
Electronic Data Security	The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.
County Assessor's Receipting and Transmitting Procedures	The County Assessor has not established proper procedures for receipting and transmitting monies.
County Clerk's Transmitting Procedures	The County Clerk does not always transmit monies timely to the County Treasurer as required by state law.

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.



Recommendations in the audit of Ozark County

Sheriff's Controls and Procedures

The Sheriff:

- 1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 1.2 Maintain a complete and accurate seized property evidence log, restrict access to seized property, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log. Any differences should be investigated and resolved.
- 1.3 Deposit inmate monies in an official bank account. Inmate account records should be reconciled monthly to the reconciled bank account balance.
- 1.4 Maintain accurate commissary transaction records and reconcile these records to inventory purchased and sold.
- 1.5 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on phone card and e-cigarette sales, and ensure all future sales tax collections are remitted to the DOR.

Ex Officio Recorder of Deeds' Controls and Procedures

The Ex Officio Recorder of Deeds:

- 2.1 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 2.2 Issue receipt slips for money received immediately upon receipt and make deposits intact. In addition, maintain the change fund at a constant amount.

Payroll Controls and Procedures

- 3.1 The County Clerk ensure timesheets are accurately prepared, properly signed and approved, and employee leave and compensatory time balances are properly recorded and calculated. In addition, for Sheriff's office employees, the Sheriff should ensure the activity reported on the timesheets submitted to the County Clerk's office agrees to the daily record and leave and compensatory time balances are reconciled to balances maintained by the County Clerk's office.
- 3.2 The County Commission and County Clerk ensure compliance with personnel policies and FLSA requirements, review and update the personnel policies, as necessary, ensure employees are paid for any additional hours of compensatory time worked when balances exceed the 240 hour maximum, and discontinue allowing employees to carry negative leave balances.

- 3.3 The County Commission should discontinue compensating employees in advance of receiving services, or establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary.

Property Tax Reductions The County Commission and County Clerk properly calculate and report property tax rate reductions (sales tax or voluntary). During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's Office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

Electronic Data Security The County Commission work with other county officials to:

5.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.

5.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts or after a certain period of inactivity. In addition, ensure user accounts of former employees are promptly disabled.

County Assessor's Receipting and Transmitting Procedures The County Assessor ensure all monies are transmitted timely and restrictively endorse checks immediately upon receipt.

County Clerk's Transmitting Procedures The County Clerk ensure all monies are transmitted timely.