



# CITIZENS SUMMARY

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## Findings in the audit of Holt County

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### Sheriff Controls and Procedures

Because of the poor accounting records maintained in the Sheriff's department, we were unable to determine if all monies were accounted for properly. As noted in our prior report, accounting duties are not adequately segregated, and an adequate supervisory review is not performed. Likewise, the Sheriff's department does not maintain adequate records to account for all monies received for conceal and carry weapons permits and prior to July 2011, had not been turning these fees over to the county treasury as required by state law. The Sheriff was unable to account for at least \$700 which should have been collected but was not deposited. The Sheriff's department does not perform bank reconciliations, identify month-end liabilities, or account for the numerical sequence of all checks, despite similar findings in our prior report.

The Sheriff's department issues unnumbered receipt slips for inmate monies received, and there are no procedures to ensure all receipts are recorded in the accounting system, which increases the risk of loss, theft, or misuse of funds. The Sheriff's department also purchases prepaid phone cards for \$6.50 each and sells them to inmates for \$10 each, but, as of May 23, 2011, the Sheriff was unable to account for 171 cards, totaling \$1,710 in receipts. In addition to the commissions from phone cards sales, the Sheriff maintains commissions from commissary sales and commissions from the phone vendor in accounts outside the county treasury, which he uses to purchase items for the department. State law requires every county officials to pay such monies to the county treasurer.

Voided receipt slips and checks were not always maintained, making it more difficult to ensure all receipts and disbursements are accounted for properly. The county does not have written contracts in place providing for the exchange of prisoner housing services. State law requires all contracts entered into by the county be in writing.

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### Fuel

The Sheriff's department and the road and bridge department do not adequately record and monitor fuel purchases and use. The road and bridge department does not reconcile fuel logs to fuel purchase records, and 2,700 gallons of fuel purchases were not recorded in fuel logs in 2010. No log is maintained of fuel dispensed from mobile tanks. Some Sheriff's department usage/fuel logs were not complete, and 40 percent of fuel purchased on the February 2011 fuel statement was not supported by receipts or included on the fuel logs, but the Sheriff approved its payment.

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### Capital Assets

The County Clerk and other county officials have not implemented adequate procedures to ensure property records are complete, accurate, and sufficient to meet statutory requirements and to determine insurance needs. The County does not maintain overall property records, and only one county department performs and submits annual inventories.

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| Personnel Policy              | The county personnel policy has not been formally updated and approved since November 2003, but some policy changes have been documented in County Commission minutes. In addition, we noted current policy does not allow sick leave to be paid upon termination, but one employee was paid \$375 for 19 hours of unused sick leave.  |
| Senior Citizens Service Board | The Senior Citizens Service Board does not have written contracts with the 12 entities to which it provides funding and does not adequately monitor the monies provided. State law requires contracts of political subdivisions to be in writing, and written contracts help ensure all parties are aware of their duties and responsibilities and prevent misunderstanding. The Board should also obtain and review financial reports from its funding recipients showing how they used the funds received. |
| 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**.<sup>\*</sup> However, the audit revealed serious shortcomings within the Sheriff's department.

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| American Recovery and Reinvestment Act (Federal Stimulus) | Holt County did not receive any federal stimulus monies during the audited time period. |
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<sup>\*</sup>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.