



# CITIZENS SUMMARY

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## Findings in the audit of Stone County

County Sales Tax	The General Revenue Fund owes the Road and Bridge Fund approximately \$200,000 for property tax reductions related to sales tax collections, and property tax reduction amounts were not properly calculated and reported to the State Auditor's office.
Payroll and Related Matters	The county may be paying law enforcement officers more overtime than required by law and county policy. The county does not maintain leave records for salaried employees and pays salaried employees in advance of time worked. The county did not always properly report additional compensation to employees or payments to contractors. The county has not clearly documented why the Emergency Management Director qualifies as an independent contractor and does not maintain documentation of the work performed. Payroll records are not adequately reviewed to ensure leave time used and compensatory time earned are properly recorded.
Property Tax System	Prior audits have reported the need for the county to improve controls and procedures over the property tax system. The County Clerk and County Commission do not adequately review the activities of the County Collector, and the County Clerk neither prepares nor verifies the accuracy of the current or delinquent tax books. The County Commission does not approve additions to the tax books or outlawed personal property taxes. The County Collector's annual settlements contained errors, and the County Collector did not disburse approximately \$30,000 in tax maintenance collections to the County Treasurer.
County Procedures	Contracts for the distribution of road sales tax monies have not been updated since 1993, and the county does not reconcile fuel purchases and usage. The county has not conducted an analysis of the most cost-effective cellular phone plans and does not enforce its policy requiring the county be reimbursed for personal usage. The county paid approximately \$92,000 for cellular phone related charges. The Recorder User Fee Fund budget lists unrealistic expenditures, such as \$350,000 budgeted for records preservation when only \$6,032 was spent. At December 31, 2011, the Recorder User Fee Fund had an accumulated balance of over \$255,000.
Sheriff's Controls and Procedures	The Sheriff's bank account is not adequately reconciled, and several errors went undetected. After considering all identified errors and liabilities, the Sheriff's bank account was short \$5,206. Accounting duties are not adequately segregated, and travel costs are not adequately documented. Travel costs totaling \$6,205 for the Sheriff and a deputy to attend a conference in Fort Lauderdale, FL were not adequately documented, and, although county policy allows a \$35 per diem, the Sheriff reimburses his employees based upon the federal per diem rate, paying rates as high as \$53 per day. Travel advances are not accounted for and excess funds are not returned promptly. The Sheriff received a travel advance of \$1,449 to attend a trade show in Las Vegas, NV, but the unspent funds (\$438) were not returned for over a year, and a deputy took more than 16 months to submit an accounting of the \$1,000 advance he received.

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office should improve accounting controls and procedures. The bad check computer system allows receipt slips and checks to be post- or pre-dated, the bad check clerk is able to post adjustments without independent approval, and procedures to reconcile the balance of the bad check/restitution bank account are insufficient.
Computer Controls and County Assets	Most county computer system users are not required to periodically change their passwords, and unique user identifications are not required to access computers in the Prosecuting Attorney's office. The planning and zoning department does not prepare backups, the Collector does not store supplemental accounting data at an off-site or fire proof location, and neither the Collector nor the Prosecuting Attorney test their backup information. The County Clerk lacks adequate procedures to identify and safeguard county property.
Meetings and Records	Open meeting minutes did not always document the specific reasons, legal basis, or roll call vote for closing a meeting, and some closed meeting minutes were not available.
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**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	<p>Stone County was awarded the following Federal Stimulus funds:</p> <p>A \$118,754 Edward Byrne Memorial Justice Assistance grant was received and expended for law enforcement equipment and vehicles.</p> <p>A \$33,633 Recovery STOP Violence Against Women Act Program grant was received and expended to fund a Crime Victim Advocate. The county continued to fund the position after the grant funds were expended.</p> <p>A \$113,284 Homeless Prevention and Rapid Re-Housing Program grant was awarded, \$71,795 of which was received and expended by the county for ongoing case management, financial assistance, and property inspections.</p>
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\*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.