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CITIZENS SUMMARY

Findings in the audit of Lawrence County

County Collector's Controls and Procedures	Office personnel do not always issue receipt slips for duplicate tax receipt payments or deposit intact. Also, County Collector's office personnel do not always record the method of payment accurately in the property tax system and do not reconcile the composition of receipts (cash, check, money order, or debit/credit card) recorded in the property tax system to the composition of deposits. The County Collector does not prepare adequate bank reconciliations for the main bank account and does not prepare bank reconciliations for the partial payment bank account. In addition, the County Collector does not prepare monthly lists of liabilities for either bank account to reconcile to the available cash balances. The County Collector has not established procedures to routinely follow up on outstanding checks in the main bank account. Personal commissions received for the collection of city taxes are not reported to the Internal Revenue Service as employee compensation by the county.
Property Tax System	The County Clerk and/or County Commission did not review and approve outlawed 2010 personal property taxes totaling \$49,189 in March 2020, and outlawed 2011 personal property taxes totaling \$50,835 in March 2021. The County Collector's annual settlement for the year ended February 28, 2021, did not include 2010 taxes outlawed during the year, totaling \$49,189, resulting in the annual settlement being incomplete and inaccurate. The County Clerk does not have procedures in place to ensure aggregate abstracts are accurate.
Public Administrator's Controls and Procedures	The Public Administrator does not always file status reports or asset inventory reports in compliance with state law. The Public Administrator does not provide adequate supporting documentation to the court for the annual settlements or status reports of wards/estates, and does not always obtain court approval for large purchases. The Public Administrator has not adequately segregated accounting duties and does not perform documented supervisory reviews of detailed accounting and bank records.
Sheriff's Controls and Procedures	Sheriff's office personnel have not performed a physical inventory of seized property since November 2019. Sheriff's office personnel do not have proper controls and procedures in place to ensure all costs for boarding non-state prisoners are adequately billed to the prisoner upon release and pursued. Sheriff's office personnel did not retain records from the prior commissary system.
Personnel Policies	County officials do not always follow established written personnel policies.
Electronic Data Security	The County Assessor, County Collector, and Prosecuting Attorney have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Officials and employees in the offices of the County Assessor, County Collector, and Recorder of Deeds are not required to have a minimum number of characters in the passwords. In addition, the County Collector's employees share computers in the office and do not log off and log back on with their unique user identification and password when using the property tax system.

Electronic Communications Policy	The county has not developed certain electronic records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.
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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.
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In the areas audited, the overall performance of this entity was **Fair**.*

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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.



Recommendations in the audit of Lawrence County

**County Collector's Controls
and Procedures**

The County Collector:

- 1.1 Issue receipt slips for all money received, record method of payment accurately, and reconcile the composition of receipts to the composition of deposits.
- 1.2 Ensure adequate monthly bank reconciliations are prepared accounting for outstanding checks, deposits in transit, and other reconciling items. In addition, the County Collector should prepare a monthly list of liabilities and reconcile the listing to the available cash balance. Any unreconciled differences should be promptly investigated and resolved.
- 1.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disposed of in accordance with state law.
- 1.4 Work with the County Commission and County Clerk to ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the IRS as employee compensation.

Property Tax System

- 2.1 The County Clerk and County Commission ensure outlawed taxes are properly reviewed and approved.
- 2.2 The County Collector prepare complete and accurate annual settlements.
- 2.3 The County Clerk establish procedures to ensure tax aggregate abstracts are prepared accurately.

**Public Administrator's
Controls and Procedures**

The Public Administrator:

- 3.1 Ensure annual status reports and asset inventory reports are filed accurately and timely.
- 3.2 Submit adequate supporting documentation with annual settlements and status reports filed for wards/estates. In addition, obtain court approval prior to making large purchases.
- 3.3 Segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed. In addition, the Public Administrator should establish controls over the use of the signature stamp.

**Sheriff's Controls and
Procedures**

The Sheriff:

- 4.1 Ensure a periodic inventory is conducted and reconciled to the seized property evidence log and investigate any differences.

- 4.2 Develop procedures to track, monitor, and pursue collection of costs for boarding non-state prisoners.
- 4.3 Retain all records in accordance with state law.

Personnel Policies

The County Commission work with other county officials to ensure compliance with personnel policies and review and update personnel policies as necessary.

Electronic Data Security

The County Commission work with other county officials to require confidential passwords for each employee that contain a minimum number of characters and are periodically changed to prevent unauthorized access to county computers and data.

Electronic Communication Policy

The County Commission work with the other county officials to develop written records management and retention policies to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division Electronic Communications Guidelines.