



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Henry County

County Collector-Treasurer Controls and Procedures	The Collector-Treasurer and former Collector-Treasurer did not properly calculate and distribute current and delinquent tax commissions. The Collector-Treasurer withheld more commissions from cities than allowed by contract. Also, the Collector-Treasurer improperly withheld and personally retained \$290 in commissions from railroad and utility taxes in December 2010. The Collector-Treasurer's annual settlements are incomplete and inaccurate, and neither the County Clerk nor the County Commission reviews them for accuracy. Over \$58,000 in taxes were outlawed and removed from the books without County Commission approval. As of September 30, 2011, the Collector-Treasurer was improperly holding over \$22,000 in the Tax Sale Surplus Fund.
Sheriff Accountable Fees and Special Revenue Funds	Weaknesses still exist in the Sheriff's records and procedures, despite similar findings in prior audit reports. The Sheriff performs most accounting tasks for his office without the involvement of other employees. There is little assurance all monies are handled and accounted for properly. The Sheriff violated state law by using \$79,000 in fees and inmate monies to pay office expenses and lacks documentation to support at least \$14,875 in disbursements, including payments to the Sheriff and ATM cash withdrawals. The Sheriff improperly transferred monies between the county special revenue funds and his bank accounts.
Sheriff Reconciliations and Accounting System	The Sheriff did not prepare bank reconciliations and lists of liabilities and cannot perform a proper reconciliation because debit card disbursements and electronic deposits are not recorded in his accounting system. Several discrepancies and concerns with the Sheriff's accounting system were noted, including manually altered checks and accounting records and inaccurate disbursement reports and monthly reports of fees, making it difficult to ensure all monies were accounted for properly.
Prosecuting Attorney Controls and Procedures	Accounting duties are not adequately segregated, and there was no independent approval to support adjustments. Procedures for receipting and transmitting monies need improvement.
Detention Center	The county sold certificates of participation through a negotiated sale rather than a competitive sale and did not competitively select the underwriter or legal counsel. The county purchased five pieces of property without first obtaining appraisals. The county failed to document why it did not select the lowest bidder for construction management services, and the company it selected provided the request for proposal form used to solicit bids.
Disbursements	The county had no documentation to show it sought competitive bids for some purchases. The Sheriff's office mileage logs were not accurate and complete, and they were not reconciled to fuel purchases. The road and bridge department did not maintain fuel use logs for its equipment and vehicles. The county housed prisoners for Jasper County and six cities, but it did not enter written contracts regarding these services as required by state

law. The Sheriff paid one of his deputies additional compensation to teach carry and concealment classes, but these payments were not processed through the county payroll system, reported on W-2 forms, subject to payroll tax withholdings, or paid in accordance with county overtime policies. Employer contributions related to additional compensation paid to employees of the Prosecuting Attorney's office were not paid into the County Employees' Retirement System, and as a result, the county may have a liability.

Passport Fees	There is no apparent authority for the County Commission to collect passport fees, and the county spent \$2,781 of these fees on parties for county employees.
Public Administrator Controls and Procedures	Audit staff discovered \$4,000 in cash in a case file, which had not been found or entered it into the accounting records by the Public Administrator. The Public Administrator incorrectly calculated fees resulting in at least three wards being overcharged and another ward being undercharged. The full-time employee of the Public Administrator's office is not treated as a county employee, in violation of Section 473.775, RSMo.
Recorder of Deeds Liabilities	As noted in our prior audit report, a monthly list of liabilities is not prepared and reconciled to cash balances.
Senior Citizens Service Board	The Senior Citizens Service Board does not adequately monitor the entities to which it provides funding and does not have written contracts with them.
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**.*

American Recovery and Reinvestment Act (Federal Stimulus)	Henry County did not receive any federal stimulus monies during the audited time period.
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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.