



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Putnam County

Hospital	<p>The Putnam County Memorial Hospital is in poor financial condition. The hospital incurred operating losses in the 2 years ended June 30, 2011, was not able to meet bond covenants, missed a bond payment, and did not make timely payment for a tax anticipation note. In March 2012, Practice Management Plus took over the management of the hospital. The hospital does not adequately account for capital improvement sales tax monies, and there is no assurance the monies are being used for capital improvements as required by state law. Several instances were identified in which unallowable topics were discussed in closed meetings in violation of the Sunshine Law.</p>
Prosecuting Attorney Procedures	<p>In the Prosecuting Attorney's office, accounting duties are not adequately segregated and the Prosecuting Attorney does not provide adequate oversight of financial functions and records. Receipts are not always deposited timely, money orders are not restrictively endorsed immediately upon receipt, the numerical sequence of receipt slips is not accounted for properly, and receipts are not reconciled to deposits. The former Prosecuting Attorney did not turn some monies over to the current Prosecuting Attorney until almost a year after leaving office. Some monies have not been disbursed to the County Collector-Treasurer or to victims. One Prosecuting Attorney employee uses a facsimile signature stamp on checks without any subsequent review. Defendants are not required to sign a payment agreement for bad check restitution, the Prosecuting Attorney does not submit a record of fees collected to the County Commission as required, and the Prosecuting Attorney does not adequately secure county records and property as the former Prosecuting Attorney still has possession of some county records.</p>
County Disbursements	<p>The County Clerk's office does not maintain centralized compensatory records, and compensatory time is not earned in accordance with county personnel policies. The County Clerk and Sheriff track compensatory time at a rate of 1 hour earned to 1 hour worked, but county policy says compensatory time is earned at a rate of 1.5 hours earned per extra hour worked, and Sheriff's deputies do not earn compensatory time after 40 hours are worked as stated in the county personnel policies and procedures manual. Employees are required to estimate the hours they will work during the last two days of the pay period, but there is no documentation that actual hours worked are subsequently compared to those estimated. The County Clerk does not maintain a list of county credit cards and credit limits, and card assignment and usage is not periodically reviewed. Supporting documentation for credit card charges is not always submitted, supervisors do not review invoices before payment, and the county has incurred finance charges because credit card bills are not provided timely to the County</p>

Clerk. The county does not have a written agreement with the Prosecuting Attorney or the 911 Board regarding expenses paid by the county.

County Procedures	Cash amounts presented in county budgets were understated, and, as noted in our prior audit report, the county lacks adequate procedures and records to account for county property. The county does not record mileage when fueling vehicles and fuel use is not reviewed or reconciled to fuel purchases.
Property Tax and County Collector-Treasurer Procedures	As noted in our prior audit report, neither the County Commission nor the County Clerk reviews the activities of the County Collector-Treasurer, and, therefore, cannot ensure the accuracy and completeness of the Collector-Treasurer's monthly and annual settlements. The county retained \$23,600 more in commissions than allowed for the year ended February 29, 2012, and it is unclear whether an incorrect commission rate was also used for fiscal year 2011 because state law is unclear whether railroad and utility taxes should be considered when determining the applicable commission rate.
Sheriff Procedures	The Sheriff's office does not adequately segregate accounting duties, and the Sheriff does not adequately oversee financial functions and records. Receipt slips were not issued for conceal and carry weapons monies, inmate collect call monies, and other miscellaneous monies received. Civil service fees are not recorded immediately and are not deposited timely or intact, and checks are not restrictively endorsed immediately upon receipt.
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)	Putnam 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.