



Thomas A. Schweich

Missouri State Auditor

Barton County

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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Barton County

Drug Buy Monies	The Sheriff cannot account for \$945 of undercover drug buy monies. The Sheriff maintains exclusive control of the drug buy monies, and records maintained by the Sheriff were inadequate and incomplete. As a result, there is no assurance all drug buy monies were handled and accounted for properly.
Sheriff Controls and Procedures	Accounting duties are not adequately segregated, and procedures for handling inmate monies are not adequate. Procedures are not in place to identify month-end liabilities and compare these liabilities to the reconciled account balance, some manual receipt slips issued for inmate monies could not be located, and inmate jail records were incomplete. The Sheriff has not prepared a budget for the Federal Forfeiture Fund and disbursements of this fund are not made through the County Commission's normal disbursement process. Some forfeiture monies were deposited into the Sheriff's office fee account and used to pay operating expenses. Supporting documentation was not retained for some disbursements and some invoices were not paid in a timely manner. The Sheriff maintains a Drug Abuse Resistance Education bank account outside the county treasury and the only records of monies received are deposit slips. Also, monthly bank reconciliations are not performed and the authorized check signers are no longer employed by the county. Crime reports and equitable sharing agreements and certifications are not submitted as required. The Sheriff failed to periodically back-up information maintained on the computerized seized property and evidence log and all information was lost when the computer system failed in November 2011.
County Sales Tax	Property tax reductions were not sufficient to offset 50 percent of sales tax monies received, and property tax reduction amounts were not accurately calculated. Additional or increased property tax levy rollbacks will be required in future years to offset this \$655,000 liability.
Law Enforcement Sales Tax Fund	The County Commission subsidized the Law Enforcement Sales Tax (LEST) Fund from the General Revenue Fund to avoid budget deficit conditions, and a loan to the LEST from the Special Road and Bridge Fund has not been repaid. Neither the county nor the Sheriff solicited bids for prisoner medical services and meal supplies.
Property Tax System Controls and Procedures	Access to the property tax system was not adequately restricted, and as a result there is an increased risk that unsupported or unauthorized changes can be made. The initial addition and abatement information is not compared to the actual changes made in the property tax system. Court orders for additions and abatements were not reviewed and approved by the County Commission and County Clerk in a timely manner. The back tax aggregate abstract and the County Collector-Treasurer's annual settlement was not prepared timely.
Payroll and Related Matters	The county considers some individuals to be independent contractors rather than employees, but the reasons were not documented, and the county failed to withhold and report payroll and income taxes on payments to these workers. The county did not properly handle overtime related to grant activities, did not compensate law enforcement personnel in accordance with county policy, and did not update the county's written policy to reflect changes made. Timesheets and payroll forms were not always properly signed, and timesheets were not

prepared and submitted to the County Commission by the Emergency Management Director.

County Procedures	The county did not require general contractors to furnish performance bonds on four construction projects, as required by state law, and controls and procedures over fuel use and purchases need improvement. The county did not always enter into written contracts and did not establish the Sheriff Revolving Fund for concealed weapon permit fees as required by state law. The county's budget preparation procedures do not ensure the budget documents for some county funds reasonably reflect the county's anticipated financial activity and cash balances.
Prosecuting Attorney Controls and Procedures	Duties are not adequately segregated. The office manager receives, records, deposits, and disburses monies and reconciles the bank account without adequate, documented reviews. The office also needs to improve receipting and depositing procedures, as receipt slips are not always issued for monies received, and receipts are not always deposited timely and intact.
Public Administrator Fees	The Public Administrator charged some wards annual fees in advance of services performed without the Associate Circuit Judge's approval, and the Probate Division has not established procedures to review the accuracy of fees paid to the Public Administrator.
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)	The county was awarded a \$10,563 Recovery Act: Edward Byrne Memorial Justice Assistance Grant for purchasing law enforcement equipment, all of which was received and expended. The county also received \$41,500 through the Homeless Prevention and Rapid Re-Housing Program Grant, all of which was expended on programs which provide homelessness prevention assistance and rapid re-housing assistance.
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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.

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THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
Officeholders of Barton County

We have audited certain operations of Barton County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Barton County for the 2 years ended December 31, 2011. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Barton County.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Barton County

Management Advisory Report

State Auditor's Findings

1. Drug Buy Monies

The Sheriff cannot account for \$945 of drug buy monies. The Sheriff maintains exclusive control of the drug buy monies, and records maintained to account for these monies were inadequate and incomplete. As a result of these numerous control weaknesses, there is no assurance all drug buy monies were handled and accounted for properly.

1.1 Unaccounted for funds

Checks totaling \$5,500 were issued to the Sheriff from January 1, 2010, through June 16, 2012, and were cashed and used for drug buys. While the Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies, he did maintain some "receipt for confidential funds" forms issued to informants for drug buys and incident reports dated from January 1, 2010, through June 16, 2012. Receipt forms and incident reports could not be provided for drug buy monies of \$945. These unaccounted for funds went undetected due to numerous control weaknesses including inadequate segregation of duties.

1.2 Segregation of duties

Duties are not adequately segregated. The Sheriff maintains exclusive control of drug buy monies obtained from the Federal Forfeiture Fund. He cashed all drug buy checks received; issued receipt forms to informants for drug buys; received recovered drug buy monies during investigations and arrests; and maintained incident reports, evidence records, evidence obtained from the drug buys, and lab reports of drugs purchased.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and disbursing drug buy monies from recordkeeping duties, or requiring someone independent to review the records.

1.3 Drug buy records

Records maintained by the Sheriff for drug buys were inadequate and incomplete.

- The Sheriff did not maintain a ledger to account for the receipt, disbursement, and balance of drug buy monies.
- While the Sheriff issued some receipt for confidential funds forms to informants for drug buy monies, the forms were not prenumbered, and receipt forms were not located for four drug buys totaling \$460 (which were identified through incident reports provided by the Sheriff). In addition, drug buy monies recovered during arrests and investigations totaling \$691 (identified on incident reports and other records provided by the Sheriff) were not adequately documented as a receipt back into drug buy monies on hand or into evidence.
- Receipt for confidential funds forms were not always signed by the informant receiving the drug buy monies as required by the form. Of 40 drug buy receipt forms reviewed, 22 receipt forms (55 percent) totaling



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\$2,726 were not signed by the informant receiving the monies. In addition, the receipt form requires the informant's number or name to be recorded; however, the Sheriff failed to record this information on four of these receipt forms totaling \$100. Further, while the drug buy receipt form requires a witness to the distribution of drug buy monies to informants to sign the receipt form, 39 of 40 (98 percent) receipt forms reviewed totaling \$4,726 did not include a witness signature.

- Incident reports, which detail the events of the drug buy, were not located for 12 of 40 (30 percent) drug buy receipt forms reviewed totaling \$1,686. In addition, a drug buy incident report indicated the Sheriff borrowed \$40 from bond monies collected by his office in 2012 for a drug buy. The monies were subsequently returned and deposited into the Sheriff's fee account. Further, lab reports on drugs purchased were not located for 32 of 40 (80 percent) drug buy receipt forms reviewed totaling \$3,681.
- Inconsistencies in information contained on drug buy receipt forms, incident reports, and lab reports were identified. For example, case numbers recorded on the receipt form did not always match the case numbers recorded on the related incident report provided by the Sheriff. In another example, some information was added to a copy of the original drug buy receipt form so that it matched the related lab reports provided by the Sheriff.

To ensure all receipts and disbursements are accounted for properly and reduce the risk of loss, theft, or misuse of funds, adequate records of drug buy monies need to be maintained.

The prior audit indicated the former Sheriff could not account for \$2,500 of drug buy monies. While numerous control weaknesses including inadequate segregation of duties have been noted in both audits, procedures and improvements in the records have not been made to ensure all drug buy monies are accounted for properly.

Recommendations

- 1.1 The County Commission request the Sheriff to perform additional follow up related to unaccounted for monies and consider working with law enforcement officials regarding possible investigation and repayment if appropriate.
- 1.2 The Sheriff segregate accounting duties to the extent possible, or ensure an adequate independent or supervisory review of accounting records is performed and documented.
- 1.3 The Sheriff maintain a ledger to record receipts and disbursements of drug buy monies, and reconcile the ledger monthly to the balance of drug buy monies on hand. The Sheriff should also issue



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prenumbered receipt forms for all drug buy monies disbursed, adequately document the amount and disposition of drug buy monies recovered, ensure the informant and a witness to the distribution of drug buy monies sign the drug buy receipt forms, and discontinue using bond monies for drug buys. In addition, the Sheriff should ensure adequate supporting documentation including incident reports, evidence records, and lab reports are retained for all drug buys.

Auditee's Response

The Sheriff provided the following written responses:

- 1.1 During this time period I hurried through cases and did not document some of the expenses the money was used for such as purchasing batteries, and or fuel for vehicles, or payment for information or drug buys. I was going back through the different cases and I believe that the number shown being the \$945 is being very high for not being accounted for. I wish I would have documented more of the expenses; however, I don't have any written receipts for those such expenses. It will be my position that I will only keep \$100 in my safe for drug buys, and if I need to get more money later I will do that. The Sheriff will work to resolve any issues with the drug account.*
- 1.2 It is going to be my doing that the drug account duties will be segregated with a second person to assist me on the monies used. I am planning to have my secretary go over all transactions and initial or sign off on what goes on with the account.*
- 1.3 It is going to be my doing that a ledger or receipt book will be kept at both the Sheriff's office and at the Treasurer's office. I am going to put into effect a policy that any drug monies used will have a numbered receipt and a narcotic form filled out for both my office and the Treasurer's office. It is my idea that I will take a notebook over to the Treasurer's office to keep these items. I will work hard in trying not to rush through the cases and get signatures from the informants who are working these cases.*

The County Commission provided the following written response:

- 1.1 We will write a letter to the Prosecuting Attorney requesting him to investigate the \$945 of unaccounted for Federal Drug Forfeiture Funds being used for drug buy money and review all records for remaining drug buys for propriety.*



2. Sheriff Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office received monies for civil and criminal fees, carry and conceal permits, jail phone commissions, bonds, and other miscellaneous receipts totaling approximately \$54,000 for the year ended December 31, 2011, and \$67,000 for the year ended December 31, 2010. These monies are handled through the Sheriff's fee account. Inmate receipts and disbursements totaled approximately \$16,000 for the year ended December 31, 2011, and \$11,000 for the year ended December 31, 2010. These monies are handled through the Sheriff's inmate account.

2.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies and reconciling the Sheriff's bank accounts are not adequately segregated. A bookkeeper performs all of these duties. While the Sheriff initials monthly reports, he indicated he did not reconcile receipt slips to deposits.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

2.2 Inmate bank account and records

Upon incarceration, monies in the custody of an inmate are receipted and deposited into the inmate bank account. Inmate monies are refunded to the inmate upon release.

- Procedures are not in place to properly identify month-end liabilities and compare these liabilities to the reconciled bank account balance. In addition, while the Sheriff's office utilizes a computerized software system to track inmate balances, it is not accurate. For example, a listing of all inmate account balances on hand at December 31, 2011, was generated at our request and totaled \$15,216, but the reconciled bank balance was only \$70. The jailer responsible for the computerized inmate records indicated the records had been incorrect since a software conversion performed in September 2010, and very little effort to correct the system had been made. Because of concerns with the computerized records, we requested a manual list of liabilities be prepared, which agreed to the reconciled bank balance at December 31, 2011.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities.

- Manual one-write receipt slips issued for inmate monies received from October 11, 2010, through November 14, 2010, could not be located. Record retention is necessary to ensure the validity of transactions and



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provide an audit trail. Section 109.270, RSMo, states all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.

- Inmate jail records did not always include the inmate's cash on hand at the time of arrest and were not always signed by the inmate at the time of arrest and release. An inmate's jail record is to be completed and signed by the inmate when booked. The inmate jail record requires cash and personal items in the inmate's possession at the time of arrest be documented and for the inmate to sign the jail record at the time of release indicating personal items and cash returned to the inmate. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, documentation of the collection and release of inmate funds should be properly completed and maintained.

2.3 Federal Forfeiture Fund

Improvement is needed in the handling of the Federal Forfeiture Fund, which is maintained in a separate bank account in the county treasury. According to the County Collector-Treasurer's accounting records, receipts of \$95 and disbursements of \$31,720 were processed through this account during the period January 1, 2010, through June 30, 2012. Of the total \$31,720 disbursed, \$16,745 was comprised of checks written to the Sheriff and deposited into the fee account maintained by the Sheriff's office. The Sheriff spent \$16,095 from the fee account for operating expenses of his office. The following concerns were noted related to the Federal Forfeiture Fund and fee account disbursements:

- The Sheriff has not prepared a budget for the Federal Forfeiture Fund. Disbursements of this fund are not made through the County Commission's normal disbursement process and are only authorized by the Sheriff. Checks are signed by the County Collector-Treasurer. The budget process provides a means to allocate and monitor financial resources, and disbursements should be made through the County Commission's normal disbursement process.
- There is no statutory authority for the Sheriff to expend these monies except as provided for in the official county budget. (See section 2.4.)
- Supporting documentation was not retained for three checks issued from the fee account totaling \$1,113. In addition, the payee was left blank on one of these checks issued for \$592, and as a result, there is no assurance these monies were spent appropriately. Also, the Sheriff indicated he prepared the invoice and signed the vendor's name for the purchase of a drug dog for \$400. All disbursements should be supported by a vendor invoice or other related supporting documentation to ensure the obligation was actually incurred.



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- Invoices related to some fee account disbursements were not paid in a timely manner. An invoice dated May 13, 2009, totaling \$1,245 was not paid until June 2010, another invoice dated February 15, 2010, totaling \$995 was not paid until May 11, 2010, and freight due on an invoice dated July 13, 2009, was not paid until June 10, 2010. Good business practices require timely payments of invoices. Failure to make timely payments could result in unnecessary penalties and interest.
- The Sheriff did not include equipment purchased with forfeiture monies totaling \$11,965 on the general capital asset listing submitted to the county and only listed the value of a vehicle purchased for \$11,495 as \$2,800 on the listing. To improve accountability over capital assets, accurate records should be maintained.

2.4 DARE bank account

The Sheriff maintains a Drug Abuse Resistance Education (DARE) bank account for donations outside the county treasury. According to bank records, receipts of \$1,659 and disbursements of \$835 were processed through this account during the 2 years ended December 31, 2011. In addition, receipt slips or other records of donations received are not maintained. The only records of monies received are deposit slips. Also, monthly bank reconciliations are not performed, and the three authorized check signers on the account are no longer employed by the county.

There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury. Records and proper reconciliations are needed to establish an adequate audit trail, ensure accounting records are in agreement with bank records, identify errors in a timely manner, and reduce the possibility of loss, theft, or misuse of funds. Failure to update authorized check signers on bank accounts exposes the county to risk of loss.

2.5 Reporting

The Sheriff's office has not submitted Uniform Crime Reports (UCR) to the Department of Public Safety (DPS) since December 2010, and did not submit an equitable sharing agreement and certification detailing the equitable sharing (federal forfeiture) funds spent each year as required by the U.S. Department of Justice, Asset Forfeiture and Money Laundering Section. Sections 43.505.3 and 43.505.4, RSMo, require law enforcement agencies to submit UCRs to the DPS, and any law enforcement agency that violates this section may be ineligible to receive state or federal funds which would otherwise be paid to such agency for law enforcement, safety or criminal justice purposes.

2.6 Seized property and evidence

While the Sheriff maintained a computerized seized property and evidence log, he failed to periodically back-up information maintained on the system, and the Sheriff indicated all information maintained on the system was lost



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when the computer system failed in November 2011. In addition, manual case files documenting seized property and evidence are not accurate or complete. For example, only one of three items listed in the manual case files reviewed was located in the evidence room, and manual case files could not be located for two of three items reviewed and maintained in the evidence room. Also, the Sheriff's office has not conducted a physical inventory of all seized property and evidence. Further, the Sheriff's office has not implemented procedures to periodically review cases and dispose of related seized property items which date back to the 1980s.

Considering the often sensitive nature of seized property and evidence, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. Computerized records are at risk of loss due to equipment failure or other electronic disaster. Backup records should be periodically prepared to provide a means of recreating destroyed master records. Backup records should be stored off-site to provide increased assurance that any lost data can be recreated. Complete and accurate inventory control records should be maintained and periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property and evidence are accounted for properly. In addition, proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft, and the related potential liability of the county.

Similar conditions
previously reported

Similar conditions to sections 2.1, 2.2, and 2.6 were noted in our prior audit report.

Recommendations

The Sheriff:

- 2.1 Segregate accounting duties to the extent possible or ensure adequate supervisory reviews of accounting records are performed and documented.
- 2.2 Investigate and resolve any inaccuracies in the computerized inmate records and perform monthly reconciliations between the computerized list of liabilities and the bank balance. The Sheriff should retain financial records in a secure location, and ensure the collection and return of funds to the inmates are recorded on the inmate's jail record.
- 2.3 Work with the County Commission to adopt a budget for the Federal Forfeiture Fund, make all purchases through the county expenditure process, require adequate supporting documentation be maintained, ensure invoices are paid in a timely manner, and maintain accurate capital asset records.



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- 2.4 Turn all DARE monies over to the County Treasurer, and ensure receipt slips or other records of donations received are maintained.
- 2.5 Ensure UCR and equitable sharing agreements are prepared and submitted as required.
- 2.6 Maintain a complete and accurate seized property and evidence inventory control log, periodically prepare backup records and store them at an off-site location, and perform periodic physical inventories. In addition, the Sheriff should develop procedures to periodically review cases and dispose of related seized property.

Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *It will be put into place a policy in which all records are reviewed by both my secretary and myself. Monies also taken in will be deposited by more than one person.*
- 2.2 *My secretary and I are looking into a policy involving a more accurate way of keeping inmate monies records. I am looking into getting a second person authorized to sign checks to be released to the inmates at the time of their release so no monies are left behind. A policy on monies that are left behind will be put into place to send into the State Treasurer of Missouri as unclaimed funds or monies.*
- 2.3 *I will adopt a budget for the Federal Forfeiture Fund to show all expenditures. The documentation will be maintained at both the courthouse and at the Sheriff's office. If during the year it has to be amended, an amended budget will be added.*
- 2.4 *All monies have been turned over to the County Treasurer on the DARE account.*
- 2.5 *I have received training on the UCR reporting and have been working on getting the reports caught up in a timely manner.*
- 2.6 *I am working on a new policy involving the documenting of evidence and seized property. The computer software we currently have has the ability to show the locations of all seized property and we are looking into purchasing a scanner and label printer or writer.*

The County Commission provided the following written response:

- 2.3 *We will formally request the Sheriff to prepare a budget for the Federal Forfeiture Funds. While we do not want the Sheriff to make*



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this fund's purchases through the county expenditure process, considering the Commissioners have no authority in this area and will wait for the elected State Auditor to take appropriate action when violations are discovered, we will request monthly documentation to account for the expenditures of this fund. We will monitor the Sheriff's expenditures.

Auditor's Comment

- 2.3 It is the duty of the County Commission to monitor county budgets and disbursements and question transactions when appropriate. The County Commission should not wait for the State Auditor to identify concerns.

3. County Sales Tax

Property tax reductions were not sufficient to offset 50 percent of sales tax monies received by approximately \$655,000 at December 31, 2011, and property tax reduction amounts were not accurately calculated. Additional or increased property tax levy rollbacks will be required in future years to offset this liability.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Barton County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement and in the following year calculate any excess property taxes collected based upon actual sales tax collection. The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections, as well as any voluntary reductions. Property tax levy reductions made by the county were comprised of two components (a sales tax reduction and a voluntary reduction). A significant portion of the county's rollback was classified as a voluntary reduction rather than as a sales tax reduction; however, the voluntary portion of the reduction in property taxes collected cannot be used to satisfy the required sales tax reduction. The following table presents the cumulative liability resulting from the insufficient sales tax reductions.

For Sales Tax Reductions	Year Ended December 31,		
	2011	2010	2009
Required property tax revenue reduction	\$ 256,295	253,888	243,001
Actual property tax revenue reduction	92,961	4,908	2,597
Amount not sufficiently reduced	163,334	248,980	240,404
Prior years insufficient reduction	491,774	242,794	2,390
Total insufficient property tax revenue reduction	\$ 655,108	491,774	242,794



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For 2008 through 2011, the county certified the tax rate ceiling, sales tax reduction, voluntary reduction, and actual tax levy for the General Revenue Fund as follows:

	2011	2010	2009	2008
Tax rate ceiling	0.0567	0.2062	0.2062	0.2839
Sales tax reduction	0.0567	0.0028	0.0015	0.1351
Voluntary reduction	0.0000	0.1534	0.1547	0.0988
Actual tax levy	0.0000	0.0500	0.0500	0.0500

The County Clerk indicated she placed the decimal incorrectly in her sales tax reduction calculation for the years ended December 31, 2010, and 2009, and reduced the general revenue property tax levy to 5 cents in each of these years through a combination of sales tax and voluntary reductions. In addition, due to Section 137.073.5(4), RSMo, a voluntary reduction taken in a non-reassessment year (even year), results in a reduced tax rate ceiling during the subsequent reassessment year. The General Revenue Fund ceiling was significantly lowered for 2011, limiting the county's ability to correct for insufficient reductions from prior years. After identifying these errors made by the county, the county passed Resolution No. 2012-4 to reinstate the county's tax rate ceiling for 2012.

To ensure property tax levies are properly set and property tax ceilings are maintained, the County Clerk should ensure property tax levies are adequately reduced by 50 percent of sales tax revenue and are accurately reported as such.

Recommendation

The County Commission and County Clerk adequately reduce property tax levies for 50 percent of sales tax revenue, review and accurately classify the property tax levy reductions, and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

Auditee's Response

The County Commission provided the following written response:

The \$655,000 was never collected because of the county's voluntary reduction in the levy. Calculations were adjusted and voluntarily rolled back, but since the forms could not be resubmitted at the time our error was found, the calculation could not be corrected. Actual property tax collections for 2009, 2010, and 2011 were \$103,365, \$104,280 and \$82,726, respectively.

Auditor's Comment

Property tax collections were reduced through a combination of sales tax and voluntary reductions. However, voluntary reductions cannot be considered as part of the required sales tax reduction calculation.



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4. Law Enforcement Sales Tax Fund

4.1 Financial condition

The Law Enforcement Sales Tax (LEST) Fund is in poor financial condition, and neither the county nor the Sheriff solicited bids for some purchases made from the LEST Fund.

Due to a deficit balance in the LEST Fund on December 31, 2008, the County Commission approved a \$88,084 loan from the Special Road and Bridge Fund to the LEST Fund in 2009, with plans for these restricted funds to be repaid as the LEST Fund allowed. However, receipts of the LEST Fund declined during 2010 and 2011, while spending remained fairly constant. As a result, the County Commission subsidized the LEST Fund from the General Revenue Fund to avoid budget deficit conditions in the LEST Fund, and the loan from the Special Road and Bridge Fund has not been repaid. Special Road and Bridge Fund monies are restricted by Section 137.555, RSMo, to be used only for improving and maintaining county roads and bridges.

In addition, LEST Fund invoices totaling \$50,088 due in December 2010, were held and not paid until January 2011, and invoices totaling \$54,422, due in December 2009, were held and not paid until January 2010, because the LEST Fund did not have sufficient funds to pay these bills. In 2012, the County Commission established the Law Enforcement Allocation Fund to better monitor law enforcement expenditures by allocating funds from the Sheriff's Discretionary and LEST Funds to this fund at the beginning of the budget year to ensure monies are reserved and available to pay for health and property insurance, which are due in December of each year.

The County Commission and Sheriff should continue to take steps to improve the financial condition of the LEST Fund and establish a plan to repay the Special Road and Bridge Fund loan. Long-term financial planning, including reducing discretionary spending where possible, evaluating management practices to ensure efficient use of resources, and attempting to maximize receipts from all sources should be performed.

4.2 Bidding

Neither the county nor the Sheriff solicited bids for prisoner medical services and meal supplies costing approximately \$57,500 and \$39,000, respectively, during the 2 years ended December 31, 2011, or for a law enforcement vehicle purchased in 2012 costing \$16,500.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the county's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.



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A similar condition was noted in our prior audit report.

Recommendation

The County Commission and Sheriff:

- 4.1 Take action to improve the financial condition of the LEST Fund, develop a plan to repay the Special Road and Bridge Fund, and ensure invoices are paid timely. In addition, the county should refrain from interfund borrowing from restricted funds.
- 4.2 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.

Auditee's Response

The County Commission provided the following written responses:

- 4.1 *We will work with the Sheriff to implement this recommendation. We anticipate the LEST Fund to repay some funds to the Special Road and Bridge Fund in 2013.*
- 4.2 *We will include major jail purchases in the county's annual bidding process.*

The Sheriff provided the following written responses:

- 4.1 *I will be working with the County Commission to work on and resolve this financial issue. I do believe repayment will take a lot of time.*
- 4.2 *I will work with vendors and get bids on any items purchased to show the competitive procurement process.*

5. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified, there is less assurance property tax monies have been accounted for properly.

The county implemented a new property tax system during the tax year ended February 29, 2012, and county officials indicated various problems related to untimely approval of additions and abatements and preparation of the aggregate abstract and annual settlement were due to problems encountered with this implementation.

5.1 Computer access

Access to the property tax system was not adequately restricted. Employees of the County Assessor's office have access to make changes to the property tax system after the Board of Equalization has met and approved the property taxes for the year. As a result, there is an increased risk that unsupported or unauthorized changes can be made to the property tax system after property taxes have been approved for the year. In addition, the



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County Collector-Treasurer and her deputy also have access to the property tax system to make changes throughout the tax year. Because the County Collector-Treasurer and her deputy are responsible for collecting tax monies, good internal controls require they not have system access rights to be able to alter or delete tax rates, assessed values, and property tax billings.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion or alteration of data files and programs.

5.2 Additions and abatelements A comparison of the initial addition and abatement information prepared by the County Assessor and the actual changes made in the property tax system by the County Assessor and the County Collector-Treasurer and her deputy is not performed.

Additionally, court orders for additions and abatelements made in November 2011 through February 2012, were not reviewed and approved by the County Commission and County Clerk until August 2012, and adequate supporting documentation for some of these additions and abatelements was not retained.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders, along with a comparison of approved additions and abatelements to actual changes made to the property tax system, would help ensure changes are proper.

5.3 Aggregate abstracts The back tax aggregate abstract was not prepared until September 18, 2012, for 2011, although the information needed to prepare the aggregate abstract should be available at the beginning of March. Section 137.295, RSMo, provides for the County Clerk to prepare this report and forward it to the Department of Revenue (DOR) and State Tax Commission (STC).

5.4 Annual settlement The County Collector-Treasurer's annual settlement for the year ended February 29, 2012, was not prepared and filed until September 4, 2012. Section 139.160, RSMo, requires the County Collector-Treasurer to annually settle with the County Commission the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector-Treasurer file annual settlements on a timely basis.

Similar condition
previously reported

A condition similar to section 5.3 was noted in our prior audit report.



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Recommendations

- 5.1 The County Commission ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.
- 5.2 The County Clerk and the County Commission should ensure a comparison of approved additions and abatements to actual changes made to the property tax system is performed, review and approve additions and abatements in a timely manner, and ensure supporting documentation is maintained to support the changes made.
- 5.3 The County Clerk prepare and file back tax aggregate abstracts with the DOR and STC in a timely manner.
- 5.4 The County Collector-Treasurer file annual settlements in a timely manner.

Auditee's Response

The County Clerk and the County Commission provided the following written responses:

- 5.1 *Access to the property tax system will be reviewed and any needed restrictions will be considered for implementation if feasible, as of April 1, 2013.*
- 5.2 *We will attempt to implement this in the next tax year.*
- 5.3 *This will be implemented.*

The County Collector-Treasurer provided the following written response:

- 5.4 *Of course I acknowledge the importance of preparing my annual settlement as soon as possible following the end of February. It is my goal to do so each year. I always come within a very small dollar amount of balancing the receipts with the expenditures almost immediately. The problem arises in my attempts to find the reason for the difference. Obviously, there is a flaw in my record keeping. We have initiated an excel program which should solve the problem. I will make it a priority to submit the annual settlement as required by Missouri Statute.*

6. Payroll and Related Matters

Controls and procedures over payroll disbursements and other related matters need improvement.

6.1 Employment classification

The county did not document reasons for classifying some workers as independent contractors instead of as county employees. In addition, the county failed to withhold and report payroll and income taxes on payments



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to these workers. These payments were reported to the Internal Revenue Service (IRS) on 1099 forms. Payments to independent contractors totaled \$30,212 during the year ended December 31, 2011, and \$22,556 during the year ended December 31, 2010.

The county considers some individuals hired by the Sheriff's office and Public Administrator's office, and for maintenance purposes to be independent contractors; however, these individuals are supervised and trained by county personnel, submit timesheets, and utilize county owned equipment to perform their duties, so it appears these individuals should be considered county employees. Additionally, the independent contractors hired by the Sheriff's office performed the same duties as other Sheriff's office employees, and some Sheriff's office independent contractors were originally paid as employees and later as contractors when no significant changes were made to job duties and responsibilities. Written contracts were also not entered into with some of these independent contractors. Further, the County Commission indicated some new hires are allowed to choose their own compensation method (employee versus independent contractor).

Section 105.300, RSMo, defines an elected or appointed officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report employee compensation on W-2 forms and withhold and remit income and payroll taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees. Proper classification of employees is necessary to ensure compliance with various state and federal laws and regulations. The failure to withhold and properly report payroll and income taxes for county employees makes the county potentially subject to additional tax liabilities along with penalties and interest.

6.2 Overtime grants and compensatory time

The county did not properly handle overtime related to grant activities, and the county is not compensating law enforcement personnel in accordance with county policy.

- The Sheriff's office received several grants in 2010 to fund overtime incurred to enforce highway safety. Time worked related to these grant activities was not recorded on deputies' timesheets and deputies were compensated at their overtime rate (time and a half), without considering overall hours worked (regular and grant duties). We noted instances where combined hours did not exceed 171 hours in a 28 day period, and therefore, overtime was not due. In addition, these payments were not processed through the county's payroll system and reported on the deputies' W-2 forms, and payroll deductions were not withheld from the payments.



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- The county did not compensate law enforcement personnel in accordance with county policy. The county's current personnel policy provides for law enforcement personnel to accrue compensatory leave at time and a half for any time worked over 171 hours during a 28 consecutive day period; however, the county provided compensatory time at time and a half to law enforcement personnel, who worked more than 40 hours per week. While the County Commission indicated they approved this change, the county's written policy was not updated.

The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on W-2 forms. In addition, to ensure compliance with the Fair Labor Standards Act of 1938 (FLSA) and ensure propriety of payments made, time worked should be properly recorded on the monthly timesheets and paid through the regular county payroll process. To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies is necessary, and the personnel policy should be updated to reflect any changes in the accrual of compensatory time.

6.3 Timesheets and payroll forms

Timesheets and payroll forms were not always properly signed and timesheets were not prepared and submitted to the County Commission by the Emergency Management (EM) Director.

Timesheets prepared by employees and independent contractors of the Sheriff's office were not always signed by the employee/independent contractor and the Sheriff. In addition, new hire/change of position/termination forms, which document employment dates, rate of pay, and how the employee is going to be paid (through payroll or as an independent contractor), were not always signed by the employee/independent contractor and the Sheriff. Sometimes, the Sheriff allowed his bookkeeper to sign his name to timesheets and payroll forms.

Further, while the EM Director has a written contract with the county to serve as EM Director and be paid \$9,600 annually, he does not prepare and submit a timesheet or other records documenting work performed.

Timesheets and payroll forms should be reviewed and signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each month. To ensure the legitimacy of contract payments, the County Commission should require a timesheet or other records of work performed be prepared and submitted by the EM Director.

Similar conditions
previously reported

Similar conditions to sections 6.2 and 6.3 were noted in our prior audit report.



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Recommendations

The County Commission:

- 6.1 Ensure all persons hired are properly classified as employees or independent contractors in compliance with state and federal laws and regulations, and all compensation paid is subject to income and payroll taxes and properly reported.
- 6.2 Ensure all time worked is recorded on the employee timesheets, and overtime is paid in compliance with county policy and the FLSA. In addition, the County Commission and Sheriff should ensure all salary payments and wages are subject to payroll withholdings and reported on W-2 forms. Prior years' W-2 forms should be amended if applicable. Also, the County Commission should ensure compliance with the county's personnel policies, and revise the county personnel policy to reflect changes in the accrual of compensatory time.
- 6.3 Ensure time sheets and payroll forms are signed by the employee and the employee's supervisor. Additionally, the County Commission should ensure the EM Director prepares and submits a timesheet or other documentation of worked performed.

Auditee's Response

The County Commission provided the following written responses:

- 6.1 *Payroll procedures will be reviewed. All wages paid to persons performing duties for the county are accounted for through the issue of a W-2 or 1099.*
- 6.2 *We have elected to not include grant wages through the county's payroll system; however, we will review overtime eligibility when payments are made. We will update our personnel policies as needed.*
- 6.3 *We will request the Sheriff to ensure employee and supervisor signatures are included on all timesheets. We will request the Emergency Management Director to submit a timesheet on a monthly basis.*

The Sheriff provided the following written responses:

- 6.2 *I will work with the County Commission on getting each and every employee subjected to payroll and withholdings.*
- 6.3 *I will not allow other employees to sign my name. I will designate others to be able to sign off on the time sheets or other reports that need to be signed off on.*



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7. County Procedures

Weaknesses were noted in the controls and procedures over disbursements, the Sheriff Revolving Fund was not established as required by state law, and the County Commission significantly overestimated disbursements of several county funds.

7.1 Performance bonds

The county did not require general contractors to furnish performance bonds on four construction projects completed during 2011 and 2010. The cost of the four construction projects totaled over \$204,000, and the cost for each project exceeded \$25,000. Section 107.170, RSMo, requires all public entities to obtain a performance bond for public works contracts with costs estimated to exceed \$25,000. Performance bonds provide assurance for proper completion of such projects and relieve the county from any potential liability to subcontractors upon default by the general contractor.

7.2 Fuel procedures

Controls and procedures over fuel use and purchases need improvement. According to accounting records, the county purchased fuel for the road and bridge department costing \$47,000 and the Sheriff's office costing \$82,000 during the 2 years ended December 31, 2011.

The road and bridge department and the Sheriff's office purchase unleaded fuel at local fuel stations. The road and bridge department also purchases bulk diesel fuel from a local vendor. The county has a bulk diesel fuel tank located at the road and bridge department building and a mobile tank in the back of a road and bridge department truck, which is used to haul fuel from the road and bridge department building to equipment.

- Bulk and mobile tank fuel use logs are not maintained by the road and bridge department, and as a result, fuel use is not reconciled to fuel purchases. In addition, while road and bridge department employees document the odometer reading on vehicles and the number of gallons purchased at the time unleaded fuel is purchased and this information is submitted to the road and bridge department secretary periodically, fuel use is not reconciled to fuel purchases.
- While daily mileage records are maintained by the Sheriff's office employees, fuel use is not reconciled to fuel purchases. In addition, our review of the August 2012 fuel bill totaling \$4,263, identified 19 fuel card invoices totaling \$1,304 could not be located.

Procedures for reviewing fuel use and reconciling use to purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, fuel use logs are necessary to document the appropriate use of equipment and vehicles to support fuel charges. Further, all disbursements should be supported by a vendor invoice to ensure the obligation was actually incurred. Failure to account for fuel purchases could result in theft and misuse going undetected.



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7.3 Written contracts

The county did not always enter into written contracts defining services provided and benefits received.

- The county did not enter into a written contract for economic development funding provided to the Barton County Community Development Corporation totaling \$50,000 during the 2 years ended December 31, 2011.
- The county did not enter into a written contract with Jasper County regarding the rate to be charged for housing Jasper County prisoners in the Barton County jail. While several bills have been sent for payment, as of September 2012, over \$7,000 in prisoner board billings incurred during the 2 years ended December 31, 2011, is due from Jasper County.
- The county did not enter into a written contract with the Barton County Ambulance District for dispatching services provided.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

7.4 Sheriff Revolving Fund

The Sheriff Revolving Fund was not established as required by state law, and the fees collected for processing concealed weapon permit applications or renewals were disbursed to the LEST Fund, which is held by the County Collector-Treasurer. By not separately tracking concealed weapon permit fees collected and disbursed, the county cannot determine what portion of the LEST Fund represents restricted concealed weapon monies or demonstrate compliance with statutorily allowed uses. The Sheriff's office collected approximately \$5,400 for concealed weapon permit applications during the 2 years ended December 31, 2011. Section 571.101, RSMo, authorizes the Sheriff to charge non-refundable fees for processing a first time application and a renewal for a concealed weapon permit which shall be paid to the county treasury to the credit of the Sheriff Revolving Fund. Section 50.535.2, RSMo, restricts the use of these funds for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed carry endorsements or renewals.

7.5 Budgets

County budget preparation procedures do not ensure the budget documents of some county funds reasonably reflect the anticipated financial activity and cash balances, and reduce the effectiveness of the budget as a tool for monitoring or controlling disbursements. As noted in the table below, the County Commission significantly overestimated disbursements for various funds, and as a result the actual ending cash balances were much higher than the projected ending cash balances at December 31, 2011.



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The County Commission also overestimated disbursements in these funds in 2012 and 2010. Additionally, some disbursement categories that were significantly overestimated each year such as capital improvements in the General Revenue Fund, construction projects in the Special Road and Bridge Fund, and training and computer/software upgrades in the Emergency 911 Fund, would require formal planning and bidding, and no evidence of any formal plans or bids for these significant projects was documented by the county.

		General Revenue Fund	Special Road and Bridge Fund	Emergency 911 Fund
Budgeted disbursements	\$	1,729,789	1,397,010	582,350
Actual disbursements		1,143,129	611,364	105,447
Budgeted over actual disbursements	\$	586,660	785,646	476,903
Projected ending cash balance	\$	5,444	8,961	1,014
Actual ending cash balance		587,102	786,519	494,071
Actual over projected ending cash balance	\$	581,658	777,558	493,057

Realistic projections of the county's uses of funds are essential for the efficient management of finances and for communicating accurate financial data to county residents. Significantly overestimating anticipated disbursements is misleading to the public and prevents an accurate estimate of the county's financial condition.

Similar conditions
previously reported

Similar conditions to sections 7.2 and 7.3 were noted in our prior audit report.

Recommendations

The County Commission:

- 7.1 Ensure performance bonds are obtained for construction projects as required by state law.
- 7.2 Require fuel use logs be maintained, and ensure these logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated. In addition, the County Commission should require supporting documentation for all fuel purchases be maintained.
- 7.3 Enter into written contracts defining services provided and benefits received and continue to pursue collection of amounts due.



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- 7.4 Require the County Collector-Treasurer to establish the Sheriff Revolving Fund to ensure monies are only expended as allowed by state law.
- 7.5 Ensure budgets provide reasonable estimates of anticipated disbursements and ending cash balances.

Auditee's Response

The County Commission provided the following written responses:

- 7.1 *Payments to contractors are made only upon the completion and inspection of each project, but we will review the requirements of the law and will consider requiring a performance bond.*
- 7.2 *We will make every attempt to implement a reconciliation process by purchasing and installing a meter on our pump to track fuel used in a log book. We have also discussed the requirement of submitting documentation for fuel purchases monthly with the Sheriff and his deputies.*
- 7.3 *We will put these agreements in writing. The County Commission will continue to recommend that the Sheriff enter into written contracts with surrounding county Sheriff's and send additional notices in an attempt to collect amounts past due.*
- 7.4 *A Sheriff's Revolving Fund has been established.*
- 7.5 *We will review our current budgeting procedures and consider more reasonable estimates of the county's budget.*

The Sheriff provided the following response:

- 7.3 *I will get a written agreement defining services provided by other Sheriff's offices in regards to the holding and care of inmates. This will aid in the collection of amounts due to the county.*

The County Collector-Treasurer provided the following written response:

- 7.4 *I have established a Sheriff's Revolving Fund and am transferring the misdirected funds to that account.*

8. Prosecuting Attorney Controls and Procedures

Duties are not adequately segregated, and receipting and depositing procedures need improvement. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately \$23,000 and \$39,000 during the years ended December 31, 2011 and 2010, respectively.



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8.1 Segregation of duties

The duties of receiving, recording, depositing, disbursing monies, and reconciling the Prosecuting Attorney's bank account are not adequately segregated. The office manager performs all of these duties. While the Prosecuting Attorney indicated he reviewed monthly bank reconciliations, his review was not always documented, and he indicated he does not reconcile receipt slips issued to deposits.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

8.2 Receipting and depositing procedures

Receipt slips are not issued for some monies received, and monies received are not always deposited intact and in a timely manner. For example, a receipt slip was not issued for two money orders dated February 16, 2010, totaling \$1,328, that were deposited into the Prosecuting Attorney's trust bank account on February 18, 2010. Additionally, a deposit on June 4, 2012, included receipt slip number 45585 issued on May 29, 2012, while receipt slip numbers 45586 and 45587 were issued and deposited on June 1, 2012. In another example, a \$60 money order received on June 12, 2012, was held and not deposited until July 17, 2012. In addition, the original copies of voided receipt slips are not always maintained.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received and errors will go undetected.

A similar condition was noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 8.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 8.2 Require receipt slips be issued for all monies received, ensure original copies of voided receipt slips are retained, and deposit all monies received intact and in a timely manner.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 8.1 *I will try and review and document monthly reconciliations.*



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8.2 *My office will try to ensure receipt slips are issued for all monies, voided receipt slips are retained, and monies are deposited intact and in a timely manner.*

9. Public Administrator Fees

The Public Administrator charged some wards \$360 in annual fees in advance of services being performed without the Associate Circuit Judge's approval. For example, on April 4, 2012, the Public Administrator charged a ward \$360 in annual fees for the time period May 2012 to April 2013; however, the ward passed away in May 2012. In another example, on May 12, 2011, the Public Administrator charged a ward \$360 in annual fees for the time period May 2011 to June 2012; however in June 2012, the Public Administrator failed to reduce her billing for additional fees to the ward for the \$360 already charged and collected. In addition, the Probate Division has not established procedures to review the accuracy of fees paid to the Public Administrator. The Associate Circuit Judge has approved the Public Administrator to charge a \$30 monthly fee on all estates to perform routine monthly record keeping, and an additional fee of \$45 per hour can be charged for any services performed in addition to normal monthly record keeping.

To ensure fees are paid correctly, the Public Administrator should charge fees in accordance with the fee schedule approved by the Associate Circuit Judge and after the services are performed. Failure to adequately review fees paid to the Public Administrator by the Probate Division increases the risk that errors or misuse of funds could go undetected.

A similar condition was noted in our prior audit report.

Recommendation

The Public Administrator should discontinue the practice of charging fees in advance, and the Associate Circuit Judge should ensure the Probate Division has established procedures to review the accuracy of fees paid to the Public Administrator.

Auditee's Response

The Public Administrator provided the following written response:

For clarification, fees since January 2009 are paid to the County of Barton based on the time expended by the Public Administrator's office unlike your previous audit when fees had not been collected in a timely manner and were payable to the Public Administrator as a fee-based office. Those cases mentioned were not collected to prevent a hardship to the protectees.

In your first case noted, my authority ends upon the death of a ward/protectee thus not allowing the credit of pre-paid fees to be taken until a later petition in the decedent estate. The court authorized this credit filed on the final petition on August 1, 2012.



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The second case noted was indeed an error that occurred and noted by your office before our check-and-balance caught the error. It was corrected immediately.

Discontinuing the practice of collecting the county's fees in advance when the annual income is available following receipt of the Missouri property tax credit tax refunds would likely cause the inability to collect the fees at a later date due to funds becoming depleted. After conference with the Associate Circuit Judge, the Court's order allowing the \$30 monthly assessment will be amended to include payment in advance and/or when funds are available. Our office will continue to track and account for the fees and allow for any credit that might be due the ward/protectee.

The Associate Circuit Judge indicated he reviewed and approved the Public Administrator's response and did not feel he needed to provide an additional response.

Barton County

Organization and Statistical Information

Barton County is a township-organized, third-class county. The county seat is Lamar.

Barton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 23 full-time employees and 18 part-time employees on December 31, 2011. The townships maintain county roads.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2012	2011
Mike Davis, Presiding Commissioner	\$	29,060
Dennis Wilson, Associate Commissioner		27,060
Bonda Rawlings, Associate Commissioner		27,060
Kathleen Dimond, Recorder of Deeds		41,000
Kristina Crockett, County Clerk		41,000
Steven H. Kaderly, Prosecuting Attorney		49,000
Mitchell (Mitch) Shaw, Sheriff		45,000
C. Tucker Joustra, County Coroner		13,000
Teresa E. Moore, Public Administrator		41,000
Frances Cato, County Collector-Treasurer, year ended March 31,	41,000	
Ivan Frieden, County Assessor, year ended August 31,		41,000

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2011.

A \$10,563 Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice for purchasing law enforcement equipment for the Sheriff's office. During the 2 years ended December 31, 2011, \$10,563 was received and expended by the Sheriff's office related to this grant.



Barton County Organization and Statistical Information

A Homeless Prevention and Rapid Re-Housing Program Grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services and \$41,500 was passed through to Barton County. The county spent \$41,500 during the 2 years ended December 31, 2011, on this program which provides homelessness prevention assistance to households that would have otherwise become homeless and rapid re-housing assistance to persons who were homeless.