



Thomas A. Schweich

Missouri State Auditor

Maries County



June 2014

Report No. 2014-040

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of Maries County

Sheriff Controls and Procedures

The Sheriff's office does not prepare bank reconciliations, does not maintain book balances, and does not identify or reconcile liabilities with cash balances for any bank account. The Sheriff has not adequately segregated accounting duties, and does not conduct an adequate supervisory review of accounting records. Office personnel do not always indicate the method of payment received on receipt slips for the bond account and do not reconcile the composition of receipts to the composition of deposits. The Sheriff's office collects \$100 to process applications for new concealed carry weapon permits, \$38 of which is disbursed to the Missouri State Highway Patrol for a federal background check, but the Sheriff's office does not disburse the other \$62 to the County Treasurer as required by state law. The Sheriff's office typically collects a fee prior to performing civil paper service and sends bills for mileage and any remaining fees once the papers have been served, but no one documents which payments have been received and no follow up is performed on unpaid amounts; therefore, the amount still owed cannot be determined. Neither the county nor the Sheriff properly solicited bids or maintained sufficient documentation for the purchase of two patrol vehicles and one truck, and the Sheriff initially overpaid for the patrol vehicles but was refunded \$8,346 for each vehicle.

Sheriff Commissary Account

The Sheriff's office does not issue receipt slips for inmate monies received and does not reconcile receipts recorded on the commissary log to deposits. Monthly bank reconciliations are not performed, liabilities are not reconciled with cash balances, and no independent review of the bank statement is performed. In September 2010, the Sheriff's office received \$20,000 from the Department of Justice Equitable Sharing program related to a federal asset seizure and deposited these monies into the commissary account, but state law requires the Sheriff to pay such monies into the county treasury. It appears the Sheriff's office used at least \$16,300 to purchase equipment without the approval of the County Commission.

Seized Property

None of the 4 inventory logs maintained by the Sheriff's office included a complete listing of all seized property currently on hand. We selected 15 items from the inventory logs to review and could not locate 6 of the items. The Sheriff's office did not maintain a complete record of all seized property sold at the October 2012 Sheriff's sale, and 23 evidence release forms had not been signed by the Judge and/or the Prosecuting Attorney to document approval to sell the property. A similar condition was noted in our prior audit report.

Property Tax System

As noted in at least our 4 prior audit reports, neither the County Clerk nor the County Commission review the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions each month, and neither the County Clerk nor the County Commission performs procedures to verify the accuracy of the County Collector's annual settlements, which increases the risk of loss, theft, or misuse of property tax monies going undetected.

Prosecuting Attorney Fees	The Prosecuting Attorney's office is charging less in bad check fees than required by state law. Our review of 15 bad check fees found the Prosecuting Attorney's office collected fees totaling \$230, but \$575 should have been collected had state law been followed.
Officials' Salaries	Various elected officials were underpaid a total of approximately \$13,500 during 2012, and it appears these officials have likely been underpaid since at least 2009. Section 50.327, RSMo, as amended in 2007, provides the minimum amount to be paid to each elected official, but county officials have been paid salaries that were set as a percentage of the base salary amounts authorized by state statute.
Capital Assets	As noted in at least our 4 prior audit reports, procedures and records to account for county property are not adequate. The county does not have adequate procedures in place to identify capital asset purchases and dispositions throughout the year, and the county's capital asset records are not complete and up to date.
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**.*

*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.

All reports are available on our Web site: auditor.mo.gov

Maries County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sheriff Controls and Procedures.....4 2. Sheriff Commissary Account8 3. Seized Property.....10 4. Property Tax System11 5. Prosecuting Attorney Fees.....12 6. Officials' Salaries.....12 7. Capital Assets.....13
---	---

Organization and Statistical Information	14
---	----



THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
Officeholders of Maries County

We have audited certain operations of Maries County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, was engaged to audit the financial statements of Maries County for the 2 years ended December 31, 2012. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. 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 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 Maries 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:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Erica Schroer, MBA
	Nicholas Schafer, MBA
	Andrew Ferguson, M.Acct.

Maries County

Management Advisory Report

State Auditor's Findings

1. Sheriff Controls and Procedures

Sheriff's office accounting procedures are not sufficient and do not provide assurance that monies collected are accounted for properly. In addition, the Sheriff's office did not solicit bids or maintain documentation to support the purchase of vehicles.

The Sheriff's office collected monies related to civil service fees, mileage, concealed carry weapon (CCW) fees, all-terrain vehicle permits, bonds, prisoner board, and other miscellaneous receipts totaling approximately \$71,700 for the year ended December 31, 2012.

1.1 Bank reconciliations and liabilities

The Sheriff's office does not prepare bank reconciliations, does not maintain book balances, and does not identify or reconcile liabilities with cash balances for any of the 3 bank accounts. At December 31, 2012, the bank balances were \$5,742, \$3,656, and \$694 in the bond, special civil, and regular bank accounts, respectively.

An office clerk indicated she reviews the bank statements to ensure all deposits and checks are included; however, formal bank reconciliations are not documented for the 3 bank accounts. Cumulative book balances are not maintained and listings of outstanding checks are not prepared. In addition, liabilities are not identified and reconciled with cash balances. Also, no review is performed to compare the bank statements to the accounting records to ensure all monies have been properly deposited and disbursed (see section 1.2).

Without maintaining a cumulative book balance and preparing monthly bank reconciliations, there is little assurance cash receipts and disbursements have been properly handled and recorded. In addition, bank and book errors may not be detected and corrected in a timely manner. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

1.2 Segregation of duties and supervisory review

The Sheriff has not adequately segregated accounting duties and an adequate supervisory review of the accounting records is not performed. One office clerk is primarily responsible for receipting, recording, and disbursing monies for the bond, special civil, and regular bank accounts. A second office clerk is responsible for the billing and collection of payments for boarding prisoners. The Sheriff does not oversee accounting duties or perform adequate supervisory reviews of accounting records. In addition, while the duties of the two office clerks do not overlap, these office clerks have a mother-daughter relationship. Because of this relationship and lack of segregation and oversight, there is greater risk in this area.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of



Maries County
Management Advisory Report - State Auditor's Findings

duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review of the records.

1.3 Method of payment

Receipt slips for the bond account do not always indicate the method of payment received, and the composition of receipts is not reconciled to the composition of deposits.

To ensure all monies are accounted for and deposited properly, the method of payment should be recorded on all receipt slips, and the composition of receipts should be reconciled to the composition of deposits.

1.4 New concealed carry weapon fees

The Sheriff's office has not disbursed fees collected for processing new CCW applications in accordance with state law. The Sheriff's office collects \$100 to process applications for new CCW permits. Of the \$100 collected, \$38 is disbursed to the Missouri State Highway Patrol for a federal background check, and the remaining \$62 should be disbursed to the County Treasurer. However, disbursements to the County Treasurer have not occurred since April 2011. The office clerk responsible for CCW permits took over these duties in April 2011 and did not know how the monies were to be disbursed. Fees for new CCW permits are deposited into the bond account. Because a listing of liabilities is not maintained for this account, the amount of CCW monies not properly disbursed is unknown.

Section 571.101, RSMo, allows the Sheriff to charge a non-refundable fee of up to \$100 for processing an initial CCW application, with that fee to be paid to the treasury of the county to the credit of the Sheriff's Revolving Fund.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, the \$62 portion of each CCW application fee should be disbursed to the County Treasurer monthly. In addition, the Sheriff's office should review the balance of the bond account to ensure all CCW fees are properly disbursed.

1.5 Civil paper service fees

The Sheriff does not have proper controls to follow up and ensure the timely collection of amounts billed for civil paper service fees. The Sheriff's office collected approximately \$11,300 in civil paper service fees and mileage for the year ended December 31, 2012.

The Sheriff's office typically collects a fee prior to performing the civil paper service, and sends a bill for mileage and any remaining fees once the papers have been served. Records of civil papers served and fees assessed are maintained on fee sheets and receipt ledgers. The Sheriff's office personnel indicate on these documents the amount initially paid and the remaining amount to be collected or refunded. However, no one writes "paid" next to billed amounts for which payment has been received and no



Maries County Management Advisory Report - State Auditor's Findings

follow up is performed on unpaid amounts. As a result, an accurate accounts receivable balance cannot be determined.

To ensure amounts owed are collected on a timely basis, the Sheriff should maintain accurate and complete records of civil paper service fees and properly follow up on all unpaid amounts.

1.6 Bidding

Neither the county nor the Sheriff properly solicited bids or maintained sufficient documentation for the purchase of two patrol vehicles and one truck, totaling \$91,716, in 2011. These vehicles were purchased through a lease-purchase agreement. The Sheriff stated he used state contracts to purchase the vehicles, but he was unable to provide documentation to support the state contracts used. In addition, neither the County Clerk's office nor the Sheriff's office had invoices for the vehicle purchases. At our request, invoices were obtained from the bank and the vendors.

The amount initially paid through the lease-purchase agreement for the two patrol vehicles did not agree to each vehicle's actual purchase price. The two patrol vehicles were initially purchased at a price of \$33,215 for each vehicle. This amount was the price shown on the order confirmation the Sheriff received; however, the invoices obtained from the vendor reported a purchase price of \$24,869 for each vehicle. Bank officials had requested the invoices after the lease-purchase agreement was signed and identified the invoice prices differed from the lease-purchase amount. In June 2011, the vendor refunded the \$8,346 price difference for each vehicle to the Sheriff's office and the Sheriff used the monies to reduce the lease-purchase agreement balance. Had the Sheriff obtained invoices following the vehicle purchases and compared the invoices with the amount to be paid through the lease-purchase agreement, this discrepancy would have been avoided.

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. Consideration of purchasing options, such as local procurement or the use of state contracts, and the evaluation of various proposals, selection process, and criteria should be clearly documented to demonstrate compliance with applicable laws or regulations and to support decisions made. In addition, to ensure the validity and propriety of all purchases, sufficient documentation, such as invoices, should be maintained.

Similar conditions previously reported

A similar condition to section 1.1 was noted in at least our four prior audit reports and a similar condition to section 1.3 was noted in our prior audit report.



Maries County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 1.1 Maintain records of account balances, prepare monthly bank reconciliations, and reconcile to lists of liabilities.
- 1.2 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are properly performed and documented.
- 1.3 Indicate the method of payment on all receipt slips and reconcile the composition of receipts to the composition of deposits. Any differences should be promptly investigated and resolved.
- 1.4 Review the balance of the bond account and ensure accumulated CCW fees as well as future fees collected are disbursed to the County Treasurer for deposit into the Sheriff's Revolving Fund.
- 1.5 Develop procedures to track, monitor, and pursue collection of civil paper service fees.
- 1.6 Work with the County Commission to ensure the use of a competitive procurement process for all major purchases and maintain adequate documentation to support decisions made and items purchased.

Auditee's Response

The Sheriff provided the following written responses:

- 1.1 *The clerk is being removed from that position and new support staff will be trained. We will maintain account balances, prepare monthly bank reconciliations, and reconcile to liabilities.*
- 1.2 *The Sheriff's office cannot afford to hire another clerk to handle most accounting transactions so the duties cannot be segregated. However, another supervisor will perform a detailed review of the books monthly. I will also continue to perform random checks.*
- 1.3 *The method of payment will be recorded by any person receiving funds and a reconciliation to the composition of deposits will be performed at the time the deposit is prepared.*
- 1.4 *CCW fees have been turned over to the County Treasurer, and will continue to be done by the new clerk.*
- 1.5 *The new clerk will be tracking, monitoring, and pursuing collection of civil paper service fees in a more timely manner, and will document such.*



Maries County
Management Advisory Report - State Auditor's Findings

1.6 *The Sheriff's office will purchase items on a state bid or use a competitive procurement process for major purchases.*

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

1.6 *The County Commission will set up a policy with the County Sheriff that all items be properly bid and copies be filed with the County Clerk.*

2. Sheriff Commissary Account

Accounting procedures and practices for the Sheriff's commissary account, which maintains inmate monies and federal seizure proceeds, need improvement. Deposits for the commissary account totaled approximately \$2,100 for the year ended December 31, 2012.

2.1 Receipt procedures and account reconciliation

Procedures for receipting and recording inmate monies are not sufficient. In addition, bank reconciliations are not performed and liabilities are not reconciled with cash balances. As a result, we were unable to ensure all monies are accounted for properly.

The Sheriff's office does not issue receipt slips for inmate monies received and receipts recorded on the commissary log are not reconciled to deposits. As a result, we could not ensure all monies recorded on the log had been deposited. In addition, the Sheriff's office does not prepare a monthly bank reconciliation and does not identify or reconcile liabilities, such as inmate balances and commissary profits, with cash balances of the commissary bank account. An independent review of the bank statement is also not performed. At December 17, 2012, the bank balance of the commissary account was \$2,691. Also, records of commissary profits are not maintained. The profits earned on sales to inmates appear to be retained in the commissary bank account.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should issue pre-numbered receipt slips for all monies received and reconcile the composition of receipts with the composition of deposits. In addition, monthly bank reconciliations should be prepared, and liabilities should be identified and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Also, Section 221.102, RSMo (effective August 28, 2013), requires commissary profits to be deposited into the county Inmate Prisoner Detainee Security Fund.



Maries County
Management Advisory Report - State Auditor's Findings

2.2 Federal seizure proceeds Purchases made with federal seizure proceeds were not approved by the County Commission and were not handled through the normal county procurement and budget process. In September 2010, the Sheriff's office received \$20,000 in proceeds from the Department of Justice Equitable Sharing program related to a federal asset seizure and deposited these monies into the commissary account. Our review noted these monies appear to have been used towards the purchase of at least \$16,300 in equipment for the Sheriff's office. No records are maintained to identify the amount of federal seizure proceeds, if any, remaining in the commissary account.

There is no statutory authority allowing the Sheriff to hold county monies outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, 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. Also, accounting for federal seizures is important to ensure compliance with reporting requirements of Section 513.653, RSMo, and federal guidelines regarding allowable uses, record keeping, and reporting.

Recommendations

The Sheriff:

- 2.1 Ensure pre-numbered receipt slips are issued for all commissary receipts, and the composition of receipts is reconciled to the composition of deposits. In addition, the Sheriff should ensure a monthly bank reconciliation and listing of liabilities are prepared for the commissary account, compare liabilities to available cash balances, and promptly investigate and resolve any differences. Also, the Sheriff should ensure existing and future commissary profits are turned over to the County Treasurer to be deposited to the Inmate Prisoner Detainee Security Fund.
- 2.2 Disburse any remaining federal seizure proceeds to the County Treasurer and ensure all future purchases are made through the normal county procurement process.

Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *Receipt slips will be issued and reconciled. Monthly bank reconciliations and listings of liabilities will be prepared and reconciled. Commissary profits will be turned over to the County Treasurer.*
- 2.2 *All remaining federal seizure proceeds in this account will be turned over to the County Treasurer.*



3. Seized Property

Seized property inventory records are not complete and accurate and a periodic inventory of all seized property is not performed. The Sheriff's office maintained 4 different inventory logs that identified seized property; however, none of the logs included a complete listing of all seized property currently on hand. In addition, none of the logs included property seized during the period of December 11, 2012, through February 4, 2013. The Sheriff and the office clerk were unable to confirm if any property was seized during that time period.

We selected 15 items from the inventory logs to review and could not locate 6 items. The Sheriff indicated 2 items had been disposed of, however, the approval of the dispositions did not appear to be documented and the dispositions had not been recorded on the logs. The Sheriff indicated the other 4 items had been sent to a laboratory for testing; however, no documentation could be provided supporting this property move had occurred.

In addition, a complete record of all seized property sold at the Sheriff's sale in October 2012 was not maintained; therefore, we could not reconcile the property sold with any of the inventory logs or the evidence release forms. We also noted 23 evidence release forms for seized property sold had not been signed by the Judge and/or the Prosecuting Attorney to document approval to sell the property. The Sheriff stated he had received signed release forms for all seized property items sold; however, approved forms for all items could not be provided. The Sheriff's office received \$10,355 in proceeds from the sale of seized property.

Considering the often sensitive nature of seized property, accurate and complete inventory records of all seized property items, including information such as description, current location, case number, date of seizure, and disposition of such property, are necessary to ensure all items are accounted for properly. Section 542.301, RSMo, provides guidance for the disposition of unclaimed seized property. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft. Furthermore, adequate documentation should be maintained to support the chain of custody and release of seized property. Also, periodic inventories should be performed and compared to the inventory records of seized property to ensure seized property is accounted for properly.

A similar condition was noted in our prior audit report.

Recommendation

The Sheriff maintain complete and accurate seized property inventory records. Documentation of all seized property dispositions, by sales or other means, should be maintained and the approval for all dispositions should be documented and retained. In addition, the Sheriff should perform a periodic



Maries County
Management Advisory Report - State Auditor's Findings

inventory of seized property, compare it to the seized property inventory records, and investigate any differences.

Auditee's Response

The Sheriff provided the following written response:

The seized property will continue to be logged and an inventory kept. All dispositions will be properly documented and an annual physical inventory will be conducted. The Sheriff's office evidence room was completely full of evidence from previous administrations, and is now in an organized fashion. There have been no items of evidence that have been lost or misplaced.

4. Property Tax System

As noted in at least our 4 prior audit reports, neither the County Clerk nor the County Commission review the financial activities of the County Collector, who processed property tax monies of approximately \$5.5 million during the year ended February 28, 2013. The County Clerk does not maintain an account book or other records summarizing property tax transactions each month, such as the total charges, additions, abatements, or delinquent credits. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Auditee's Response

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

Implementing. The County Clerk now has a spreadsheet to maintain an account book with the County Collector. The County Commission will review the spreadsheet and compare with the County Collector's annual settlements.



Maries County
Management Advisory Report - State Auditor's Findings

5. Prosecuting Attorney Fees

Bad check fees collected by the Prosecuting Attorney's office are not in compliance with state law. Section 570.120, RSMo, requires a fee to be charged on each bad check handled by the Prosecuting Attorney. The fee, based on the amount of the bad check, is turned over to the County Treasurer and deposited to the Prosecuting Attorney Bad Check Fund. The Prosecuting Attorney collected bad check fees totaling approximately \$2,500 for the year ended December 31, 2012.

Our review of 15 bad check fees noted the Prosecuting Attorney's office collected fees totaling \$230; however, had the fees been charged in accordance with state law, a total of \$575 should have been collected. The Prosecuting Attorney indicated she developed a schedule to collect fees using the fees allowed by Section 570.120, RSMo, as a guide, but charged fees less than the amounts authorized by state law.

Recommendation

The Prosecuting Attorney ensure bad check fees comply with state law.

Auditee's Response

The Prosecuting Attorney provided the following response:

I was using an old statute that was changed in 2006. Bad check fees have been charged in accordance with state law since this was brought to my attention. The merchant fees were correct.

6. Officials' Salaries

Salaries paid to most Maries County elected officials during 2012 were not in compliance with state law. In addition, since at least 2009, county officials have been paid salaries that were set as a percentage of the base salary amounts authorized by state statute. For 2012, salaries paid to all county officials, with the exception of the Public Administrator, were set at approximately 96 percent of authorized amounts. However, Section 50.327, RSMo, as amended in 2007, revised requirements regarding base salaries and now provides the minimum amount to be paid to each elected official. The County Commissioners indicated they were not aware of the statutory change affecting base salaries. As a result, by not paying the base salary, the various elected officials were underpaid approximately \$13,500 during 2012.

Various state statutes include salary schedules that, according to Section 50.327, RSMo, are to be used as base schedules for those county officials. The County Commission should consult with legal counsel and review salaries paid to elected officials to ensure amounts comply with state law and to evaluate if amounts are owed to officials for any underpaid salaries since 2009.

Recommendation

The County Commission review salaries paid to elected officials since 2009 with legal counsel to ensure amounts comply with state law and to evaluate if any amounts are owed to officials for underpaid salaries.



Maries County
Management Advisory Report - State Auditor's Findings

Auditee's Response

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

Implemented. All elected officials are currently at 100 percent of their base salary, as of July 2013. The County Commission discussed the matter with legal counsel and all back pay has been paid.

7. Capital Assets

As noted in at least our 4 prior audit reports, procedures and records to account for county property are not adequate. In addition, the county does not have adequate procedures in place to identify capital asset purchases and dispositions throughout the year. As a result, the county's capital asset records are not complete and up to date. In 2012, the County Clerk sent a request to all county officials to conduct an annual inventory and submit an inventory report to the County Clerk's office by October 10th in accordance with state law. However, not all officials have conducted the required annual inventory and inventory reports were not prepared by the County Clerk's office, the Sheriff's office, and the Road and Bridge departments.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or the officer's designee of each county department is responsible for performing annual inspections and inventories of county property used by the officer's department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.

Auditee's Response

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

Implementing. The County Clerk now has a program in place to maintain and track capital asset purchases and dispositions. Annual physical inventories will be conducted.

Maries County

Organization and Statistical Information

Maries County is a county-organized, third-class county. The county seat is Vienna.

Maries 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 roads and 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 34 full-time employees and 18 part-time employees on December 31, 2012.

Elected Officials

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

Officeholder	2013	2012
Ray Schwartze, Presiding Commissioner	\$	25,963
Ed Fagre, Associate Commissioner		24,045
Douglas Drewel, Associate Commissioner		24,045
Mark Buschmann, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Rhonda Brewer, County Clerk		36,432
Terry D. Schwartze, Prosecuting Attorney		43,143
Harold Chris Heitman, Sheriff		40,267
Rhonda Slone, County Treasurer		36,432
David H. Martin, County Coroner		10,546
Eugene J. Meyer, Public Administrator		27,879
Jayne Helton, County Collector (2), year ended February 28,	37,180	
Judy (Logan) Honse, County Assessor, year ended August 31,		36,432

(1) Compensation is paid by the state.

(2) Includes \$748 of commissions earned for collecting city property taxes.

Financing Arrangements

The county has entered into 4 lease-purchase agreements for road and bridge equipment (including a brush cutter, truck, and motor graders). Principal and interest payments are made from the Road and Bridge funds. The final payment for the lease-purchases is scheduled to occur in 2017. The remaining principal and interest due on the lease-purchase agreements at December 31, 2012, was \$850,276.



Maries County
Organization and Statistical Information

The county has entered into a lease-purchase agreement for vehicles and computer equipment for the Sheriff's office. Principal and interest payments are made from the Citizens Safety Fund. The final payment for the lease-purchase is scheduled to occur in 2020. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$133,811.

The county has entered into a lease-purchase agreement for computer equipment and software for the County Clerk's office. Principal and interest payments are made from the General Revenue Fund. The final payment for the lease-purchase is scheduled to occur in 2019. The remaining principal and interest due on the lease-purchase agreement at December 31, 2012, was \$35,802.