



# Thomas A. Schweich

Missouri State Auditor

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## Atchison County



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August 2014

Report No. 2014-058

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of Atchison County

Fuel	The county does not properly monitor fuel use or reconcile fuel billings to fuel use records. Logs are kept for bulk fuel tanks for each road and bridge vehicle, but these logs are not used to reconcile to fuel purchased, and the road and bridge supervisor does not review the logs for reasonableness.
Property Tax System Access	Prior to May 2014, access to the property tax system was not adequately restricted. The County Collector had administrative access rights to the property tax system despite being responsible for collecting tax monies, which created the possibility of unauthorized changes to property tax records. When we discussed this with the County Collector, she had the software programmer change the access rights so she does not have the ability to change property tax records.
Prosecuting Attorney Segregation of Duties	The Prosecuting Attorney has not adequately segregated accounting duties or performed a supervisory review of accounting records. The Prosecuting Attorney's secretary is primarily responsible for receipting, recording, and transmitting monies received with no supervisory review. Proper segregation of duties or an independent or supervisory review is necessary to ensure transactions are accounted for properly and assets are safeguarded.
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 **Good**.\*

\*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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# Atchison County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Atchison County

We have audited certain operations of Atchison County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Atchison County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. 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) no significant 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 Atchison County.



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:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Robert Showers, CPA, CGAP
In-Charge Auditor:	Richard Stuck
Audit Staff:	Colby Dollens, CPA
	Waleed Atout
	Nancy McDowell

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# Atchison County

## Management Advisory Report

### State Auditor's Findings

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#### **1. Fuel**

The county does not properly monitor fuel use or reconcile fuel billings to fuel use records. The road and bridge department maintains 24 vehicles and equipment items. According to county records, road and bridge department fuel purchases totaled approximately \$198,000 for the year ended December 31, 2013. The road and bridge department purchases bulk diesel and unleaded fuel from local vendors for 6 bulk fuel tanks at three locations throughout the county.

Logs of fuel dispensed from bulk fuel tanks are maintained for each road and bridge vehicle; however, these logs are not used to reconcile to fuel purchased, and these reports are not reviewed by the road and bridge supervisor for reasonableness.

Procedures for maintaining and reviewing fuel usage logs and reconciling log information to fuel purchased and related records are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of loss, theft, or misuse of fuel occurring without detection.

#### **Recommendation**

The County Commission ensure logs are reconciled to fuel purchases. Reconciliation should be completed to ensure all fuel billed was indeed delivered. Any significant discrepancies should be promptly investigated.

#### **Auditee's Response**

*The County Commission provided the following written response:*

*The road and bridge department supervisor will document total gallons on the meter of each bulk tank at each barn on a monthly basis and report the number to the County Clerk who will keep a spreadsheet with the meter total from each month. She will then document the total number of gallons from the fuel tickets when the bulk tanks are filled and reconcile to make sure the fuel purchased and fuel used is within an acceptable percentage of each other.*

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#### **2. Property Tax System Access**

Access to the property tax system was not adequately restricted prior to May 2014. The County Collector had administrative access rights in the property tax system, which provided her with unlimited access to all information in the system and allowed her to potentially make changes to individual tax records. The County Collector is responsible for collecting tax monies, therefore, having administrative access rights to be able to alter or delete tax rates, assessed values, and property tax billings is a significant control weakness. When this issue was discussed with the County Collector in May 2014, she had the software programmer change the access rights so she does not have the ability to change property tax records.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the deletion



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Atchison County  
Management Advisory Report - State Auditor's Findings

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or alteration of data files and programs, and increases the risk of loss, theft, or misuse of funds.

**Recommendation**

The County Commission ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

**Auditee's Response**

*The County Commission provided the following written response:*

*The County Collector has already had the software programmer make the necessary changes to the system so she is not able to adjust or abate tax bills. Adjustments can only be done by creating an incident report with the programmer and the programmer will have to make the adjustments. This was the policy the County Collector was already following, even though the software allowed this ability. It no longer does.*

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**3. Prosecuting  
Attorney  
Segregation of  
Duties**

The Prosecuting Attorney has not adequately segregated accounting duties or performed a supervisory review of accounting records. The Prosecuting Attorney's secretary is primarily responsible for receipting, recording, and transmitting monies received for bad checks and court-ordered restitution and no supervisory review is performed by the Prosecuting Attorney. The Prosecuting Attorney's office processed bad check restitution and victim fees, bad check fees, and court-ordered restitution totaling approximately \$10,000 during the year ended December 31, 2013.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement and document an independent or supervisory review of accounting records.

**Recommendation**

The Prosecuting Attorney adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

**Auditee's Response**

*The Prosecuting Attorney provided the following written response:*

*A system will be implemented to segregate the accounting duties so there is adequate oversight within the office.*

# Atchison County

## Organization and Statistical Information

Atchison County is a county-organized, third-class county. The county seat is Rock Port.

Atchison 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 47 full-time employees and 11 part-time employees on December 31, 2013.

In addition, county operations include Senate Bill 40 Board, Senior Citizens' Services Board, drainage and levee districts established by the county commission, Enhanced Enterprise Zone Board, and Tax Increment Financing Commission.

### Elected Officials

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

Officeholder	2014	2013
Curtis Livengood, Presiding Commissioner	\$	35,755
David P. Chapin, Associate Commissioner		33,758
Richard C. Burke, Associate Commissioner		33,758
Lorie Hall, Circuit Clerk and Ex Officio Recorder of Deeds (1)		54,588
Susette M. Taylor, County Clerk (2)		56,487
Dan Smith, Prosecuting Attorney		60,819
Dennis D. Martin, Sheriff		56,867
Debbie True, County Treasurer		49,629
Shawn Minter Jr., County Coroner		14,768
Teresa Jayne Scott, Public Administrator		29,765
Diane Livengood, County Collector (3), year ended February 28,	66,194	
Lori Brown Jones, County Assessor, year ended August 31,		51,210

- (1) Compensation is paid by the state.
- (2) Includes \$5,278 of commissions earned for preparing city property tax books.
- (3) Includes \$13,015 of commissions for collecting city and drainage district property taxes.