



**Thomas A. Schweich**  
Missouri State Auditor

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# Gasconade County



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**September 2014**  
**Report No. 2014-081**

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<http://auditor.mo.gov>



# CITIZENS SUMMARY

## Findings in the audit of Gasconade County

Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney's office lacks procedures to ensure restitution collected by the office for certain court cases is forwarded to the Circuit Clerk's office. The Prosecuting Attorney's office deposited and disbursed a receipt that should have been forwarded to the Circuit Clerk's office and did not notify the Circuit Clerk's office of the receipt causing that office's restitution balance on the case to be inaccurate. As similarly noted in our prior audit report, receipt slips are not issued immediately for some monies received. In addition, the Prosecuting Attorney's office did not always timely deposit receipts.
Sheriff Controls and Procedures	The Sheriff does not review fuel usage logs for reasonableness, and the logs are not used to reconcile to fuel purchased, making it difficult to ensure vehicles are properly utilized, vendors are not paid for improper amounts, and fuel is not stolen or misused.
Public Administrator's Annual Settlements	The Public Administrator does not timely file annual settlements, and 19 of the 23 (83 percent) settlements we reviewed were filed after the due date, including one settlement that was filed approximately 10 months after the due date.

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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# Gasconade County

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# **THOMAS A. SCHWEICH**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Gasconade County

We have audited certain operations of Gasconade County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Gasconade 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) 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 Gasconade 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:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Tina Disney, M.Acct.
Audit Staff:	Erica Schroer, MBA Dustin T. Davis

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# Gasconade County Management Advisory Report State Auditor's Findings

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## **1. Prosecuting Attorney Controls and Procedures**

Improvement is needed over accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately \$135,000 for the year ended December 31, 2013.

### **1.1 Restitution**

Procedures are not adequate to ensure restitution collected by the Prosecuting Attorney's office for certain court cases is forwarded to the Circuit Clerk's office. Per discussions with both offices, the Circuit Clerk's office should collect restitution on court cases filed prior to 2010, and the Prosecuting Attorney's office should collect restitution on court cases filed in 2010 and after. If payments are made to the Prosecuting Attorney's office in error on court cases filed prior to 2010, these payments are to be forwarded to the Circuit Clerk's office for processing.

Our review of 10 restitution receipts collected by the Prosecuting Attorney's office identified a \$220 payment in June 2013, on a case filed prior to 2010. This receipt was deposited and disbursed by the Prosecuting Attorney's office in error, when the receipt should have been forwarded to the Circuit Clerk's office. In addition, the Prosecuting Attorney's office did not notify the Circuit Clerk's office about this payment causing that office's restitution balance on the case to be inaccurate. After we discussed this issue with the Circuit Clerk's office, the restitution balance was corrected.

The Prosecuting Attorney should work with the Circuit Clerk to ensure the proper amounts are collected on restitution court cases, and to ensure all restitution collected by the Prosecuting Attorney's office on court cases filed prior to 2010 is forwarded to the Circuit Clerk's office.

### **1.2 Receipting and depositing**

As similarly noted in our prior audit report, receipt slips are not issued immediately for some monies received. In addition, monies received are not always timely deposited. For example, a \$134 receipt was deposited into the Prosecuting Attorney's bank account on November 27, 2013; however, a receipt slip for these monies was not issued until December 3, 2013. Additionally, receipts collected between December 4 and December 9, 2013, totaling \$301, were not deposited until December 16, 2013, and receipts collected on December 19 and December 20, 2013, totaling \$470, were not deposited until December 31, 2013.

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



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## Recommendations

The Prosecuting Attorney:

- 1.1 Work with the Circuit Clerk's office to ensure restitution amounts are properly recorded and processed. Any restitution collected on court cases filed prior to 2010 should be forwarded to the Circuit Clerk's office for processing.
- 1.2 Issue receipt slips for all monies received immediately upon receipt, and timely deposit all monies received.

## Auditee's Response

*The Prosecuting Attorney provided the following responses:*

- 1.1 *We will work with the Circuit Clerk's office to ensure all restitution is properly recorded and processed. All restitution on cases prior to 2010 will be closed out by the Circuit Clerk's office.*
- 1.2 *For individuals who bring monies to the office, we will issue receipt slips immediately upon receipt. For monies mailed in, we will issue receipt slips within 24 hours. Also, we will ensure monies are deposited at least weekly, if not more often depending on the amount of monies on hand.*

## 2. Sheriff Controls and Procedures

The Sheriff does not review fuel usage logs for reasonableness and the logs are not used to reconcile to fuel purchased. The Sheriff's office spent approximately \$66,000 for fuel during the year ended December 31, 2013, for the 24 Sheriff's office vehicles.

Procedures for maintaining and reviewing fuel usage logs and reconciling the information to fuel purchased and related records are necessary to ensure vehicles are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details to enable the Sheriff to effectively monitor vehicle fuel costs.

## Recommendation

The Sheriff establish procedures to maintain adequate records to effectively monitor vehicle and fuel use. In addition, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

## Auditee's Response

*The Sheriff provided the following written response:*

*Effective June 2014, each deputy now keeps a fuel record (log) and turns this log into the Sheriff's office every 28 days. The Sheriff can now total the number of gallons used each 28 day period and compare it to the fuel bills received from our supplier. (The supplier fills the bulk fuel tank every 10 days at the Sheriff's office sub-station.) Any fuel charged on a credit card is kept track of separately by gallons used. The Sheriff's office is also looking*



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*into installing a camera to monitor all vehicles that use the gas pump at our sub-station, providing it is cost effective.*

### 3. Public Administrator's Annual Settlements

The Public Administrator does not timely file annual settlements. We reviewed settlements filed for 23 of the 41 wards or estates and noted annual and final settlements for 19 of the 23 wards or estates were filed after the Probate Clerk's due date, including one final settlement that was filed approximately 10 months after the due date. The Probate Clerk sends a past due notice to the Public Administrator after a settlement is a month past due. Despite this procedure, settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that loss, theft, or misuse of funds will go undetected.

#### Recommendation

The Public Administrator ensure annual settlements are filed timely.

#### Auditee's Response

*The Public Administrator provided the following written response:*

*Though the findings of the auditors are true, I have found that meeting the physical needs of the individuals I serve must be a priority. Both the paperwork and the individual are important. These people (35+) that Gasconade County serves are often without friends or family. I find that the responsibilities of caring for them consumes some of the time necessary for making reports. The County Commissioners have allowed this office to have part-time assistance. We hope that working together we will be able to catch up the annual reports and provide them in a timely manner without sacrificing the personal needs of the wards entrusted to my care.*



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# Gasconade County

## Organization and Statistical Information

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Gasconade County is a county-organized, third-class county. The county seat is Hermann.

Gasconade 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 49 full-time employees and 14 part-time employees on December 31, 2013.

In addition, county operations include the Senate Bill 40 Board and the Community Mental Health Services Board.

### Elected Officials

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

Officeholder	2014	2013
Nicholas H. Baxter, Presiding Commissioner	\$	29,390
Larry Miskel, Associate Commissioner		27,390
Jerry D. Lairmore, Associate Commissioner		27,390
Joyce Gabathuler, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Lesa Lietzow, County Clerk		41,500
Ada Brehe-Kreuger, Prosecuting Attorney		51,000
Randy Esphorst, Sheriff		46,000
Joey R. Gross, County Treasurer		41,500
Benjamin D. Grosse, County Coroner		14,000
Fay Owsley, Public Administrator		25,000
Shawn Schlottach, County Collector (2), year ended February 28,	51,714	
Joseph M. Mundwiller, County Assessor, year ended August 31,		41,500
Paul Dopuch, County Surveyor (3)		3,000

(1) Compensation is paid by the state.

(2) Includes \$10,214 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.

### Financing Arrangements

The county has entered into a lease-purchase agreement for vehicles for the Sheriff's office. Principal and interest payments are made from the Sheriff's



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Organization and Statistical Information

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Law Enforcement Civil Fee Fund. The final payment for the lease-purchase is scheduled to occur in 2016. The remaining principal outstanding at December 31, 2013, was \$42,999. Interest remaining to be paid over the life of the agreement totals \$3,442.

The county has entered into a lease-purchase agreement for vehicles for the Sheriff'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 2014. The remaining principal outstanding at December 31, 2013, was \$18,727. Interest remaining to be paid over the life of the agreement totals \$584.