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Missouri State Auditor

Warren County



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CITIZENS SUMMARY

Findings in the audit of Warren County

Fuel Use	The county does not maintain mileage and fuel use logs for the road and bridge department's gasoline-powered vehicles and equipment and fuel use is not reviewed or reconciled to fuel purchases.
Cybersecurity	Separate user identifications (ID) and passwords are not required for all employees. The Planning and Zoning Administrator uses the same user ID and password as the person who previously held the position. Employees in several county offices are not required to periodically change their passwords.
Developmental Disabilities Board's Closed Meetings	The Developmental Disabilities Board does not always follow Sunshine Law requirements relating to closed meetings. The Board, which is responsible for development and operation of services for individuals with developmental disabilities, held 3 closed meetings in 2014. In these meetings, the Board did not cite a specific section of the law as the reason for entering into closed session and some topics were discussed in closed session that are not allowable by law.
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.

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

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NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County

We have audited certain operations of Warren County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, was engaged to audit the financial statements of Warren County for the 2 years ended December 31, 2014. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2014. The objectives of our audit were to:

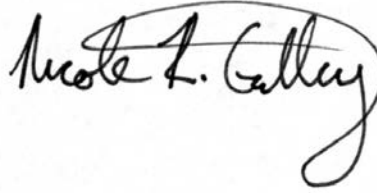
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

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 Warren County.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Devin Jackson
	Margie Freeman, CPA

Warren County Management Advisory Report State Auditor's Findings

1. Fuel Use

The county does not maintain mileage and fuel use logs for the road and bridge department's gasoline-powered vehicles and equipment and their fuel use is not reviewed or reconciled to fuel purchases. During the year ended December 31, 2014, the county incurred gasoline costs of approximately \$13,000 for the road and bridge department.

Maintenance and review of vehicle and equipment mileage and fuel use logs and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission require mileage and fuel use logs for all vehicles and equipment and review the logs for reasonableness. In addition, the County Commission should ensure fuel use is reconciled to fuel purchases, and any significant discrepancies are investigated.

Auditee's Response

We are in the process of implementing this recommendation.

2. Password Controls

Separate user identifications (ID) and passwords are not required for all employees. The Planning and Zoning Administrator uses the same user ID and password as the previous Planning and Zoning Administrator to access that department's computer. In addition, employees in the offices of the Recorder of Deeds, County Assessor, Sheriff, and the Sanitarian are not required to change their passwords periodically.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are not changed periodically, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission work with other county officials and employees to require unique user identifications and passwords for each employee that are confidential and periodically change passwords to prevent unauthorized access to the county's computers and data.



Warren County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following response:

We will work with the other officials and employees to implement the recommendation.

The Planning and Zoning Administrator provided the following response:

I will speak to our IT staff regarding the need to have a user ID and password specific to myself set up on the planning and zoning computer system.

The Recorder of Deeds provided the following response:

I will discuss with the software company about changing passwords periodically.

The County Assessor provided the following response:

I will work with the IT director to implement a policy change within the County Assessor's office, to change passwords on a quarterly basis, per the Auditor's recommendation.

The Sheriff provided the following response:

I will require a periodic forced password change.

3. Developmental Disabilities Board's Closed Meetings

The Developmental Disabilities Board (Board) does not always follow Sunshine Law requirements relating to closed meetings. The Board is responsible for development and operation of services for individuals with developmental disabilities. The Board held 3 closed meetings during the year ended December 31, 2014. We noted the following problems during our review of minutes for these meetings.

- The Board did not cite a specific section of the law as the reason for entering into closed session or document the vote of each member approving to enter into the closed session.
- The Board discussed some topics in closed sessions that are not allowable by state law. The Board discussed employee issues such as the mileage reimbursement rate, combining annual and sick leave, approval of overtime for certain employees, health insurance options, and salary increases. In addition, the roll call votes for 2 motions made in the October 21, 2014, closed meeting were not documented in the closed minutes.



Warren County
Management Advisory Report - State Auditor's Findings

Section 610.022, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on during the open meeting. Section 610.021, RSMo, indicates that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law. Section 610.015, RSMo, requires roll call votes for any votes taken during a closed meeting.

Recommendation

The Developmental Disabilities Board cite the specific reasons for holding the closed meeting and document the roll call vote taken during open meetings to close any meeting. In addition, the Board should ensure only allowable topics are discussed in a closed meeting and also ensure roll call votes taken in a closed meeting are recorded.

Auditee's Response

The Board accepts the auditor's recommendation to cite the specific reasons for holding a closed meeting and to document the roll call vote taken during open meetings to close any meetings. The Board will ensure that only allowable topics are discussed in a closed meeting and that roll call votes taken in a closed meeting are recorded.

Warren County Organization and Statistical Information

Warren County is a county-organized, third-class county. The county seat is Warrenton.

Warren 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 117 full-time employees and 13 part-time employees on December 31, 2014.

In addition, county operations include the Developmental Disabilities Board, the county health department, and Planning and Zoning Commission.

Elected Officials

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

Officeholder	2015	2014
Arden Engelage, Presiding Commissioner	\$	34,670
Daniel Hampson, Associate Commissioner		32,670
Hubert Kluesner, Associate Commissioner		32,670
Deborah Engemann, Recorder of Deeds		49,500
Barbara Daly, County Clerk		49,500
Michael S. Wright, Prosecuting Attorney (1)		7,044
Jennifer Bartlett, Prosecuting Attorney (2)		92,992
Kelly King, Prosecuting Attorney (3)		13,225
Kevin Harrison, Sheriff		57,200
Gene Cornell, County Treasurer		49,500
Roger R. Mauzy Sr., County Coroner		17,600
Jeffrey Hoelscher, Public Administrator		20,000
Linda K. Stude, County Collector, year ended February 28,	49,500	
Wendy Nordwald, County Assessor, year ended August 31,		49,500
Robert L. Lewis, County Surveyor (4)		

(1) Resigned January 23, 2014.

(2) Appointed February 3, 2014, and resigned October 31, 2014.

(3) Appointed November 1, 2014.

(4) Compensation on a fee basis.