



Office of Missouri State Auditor
Nicole Galloway, CPA

Wright County



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Wright County

<p>Prosecuting Attorney's Controls and Procedures</p>	<p>Prior audit reports have repeatedly addressed weaknesses in the Prosecuting Attorney's office controls and procedures, and most of these weaknesses still exist. The Prosecuting Attorney has not adequately segregated accounting duties and does not perform supervisory reviews of accounting and bank records. The Prosecuting Attorney has not prepared bank reconciliations and lists of liabilities or maintained checkbook balances monthly for the office's 3 bank accounts since 2010 except upon our request. The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, reconciling, and depositing monies. The Prosecuting Attorney did not disburse all bad check fees received to the County Treasurer. The Prosecuting Attorney does not prepare a monthly list of unpaid bad checks and restitution. The Prosecuting Attorney is not fully utilizing the computerized bad check system to monitor the disposition of bad check cases.</p>
<p>Sheriff's Controls and Procedures</p>	<p>The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting and bank records. The Sheriff has not established proper controls or procedures for reconciling and depositing monies. Follow up procedures have not been performed on reconciling items shown on bank reconciliations of the civil and criminal bank accounts. The Sheriff has not established adequate controls over seized property. The Sheriff has not entered into a written agreement with the City of Mansfield for dispatching and patrolling services. The Sheriff does not properly control his signature stamp.</p>
<p>Electronic Data Security</p>	<p>Controls over county computers are not sufficient to prevent unauthorized access. The County Assessor, County Collector, Recorder of Deeds, and the Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Collector's office employees also share passwords, and user access was not promptly deleted after an employee in the Recorder of Deeds' office ended employment. Security controls are not in place to lock computers in the offices of the County Collector and the Recorder of Deeds after a specified number of unsuccessful logon attempts.</p>
<p>Senate Bill 40 Board's Controls and Procedures</p>	<p>The Senate Bill 40 Board purchased land and buildings for possible construction or renovation of a sheltered workshop facility without adequate project planning. The Board did not always ensure compliance with the Sunshine Law.</p>

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.

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Wright County

We have audited certain operations of Wright 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 Wright County for the 2 years ended December 31, 2015. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2015. 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 procedures, including certain financial transactions.

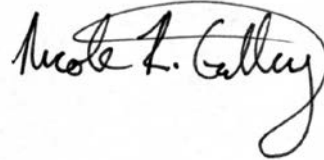
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls 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 applicable 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 Wright County.

During our audit, a vacancy occurred in the office of the County Collector. An audit of the Wright County Collector, fulfilling our obligations under Section 52.150, RSMo, and Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Wright County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Prior audit reports have repeatedly addressed weaknesses in the Prosecuting Attorney's office controls and procedures, and most of these weaknesses still exist. The Prosecuting Attorney's office collected approximately \$57,000 in bad check and court ordered restitution and fees and delinquent taxes during the year ended December 31, 2015.

1.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform supervisory reviews of accounting and bank records. One employee is primarily responsible for receipting, recording, and depositing monies; and preparing the monthly fee report. The Prosecuting Attorney does not perform a documented review of the accounting and bank records (including the monthly fee report) to ensure all monies received are properly recorded and deposited and disbursed to the appropriate parties.

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, recording, and depositing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential and should include comparing daily receipt activity to deposits.

1.2 Bank reconciliations and liabilities

The Prosecuting Attorney has not prepared bank reconciliations and lists of liabilities or maintained checkbook balances monthly for the office's 3 bank accounts since 2010, except upon our request. Our prior audit reported that bank reconciliations for 2011 and 2010 and a list of liabilities at February 29, 2012, were prepared upon our request. Bank reconciliations and a list of liabilities have not been prepared since.

At our request, the Prosecuting Attorney's office prepared bank reconciliations for 2014 and 2015. However, the bank reconciliations did not include all transactions that had not cleared the bank. We reviewed and adjusted the December 31, 2015, bank reconciliation for additional outstanding checks not previously identified. We prepared a list of liabilities as of December 31, 2015, for the current bad check and court-ordered restitution bank account. The list of liabilities totaled \$1,411, while the reconciled bank balance was \$6,913, resulting in an unidentified difference in the account of \$5,502. However, because book balances were not maintained, the accuracy of these reconciliations could not be readily verified. In addition, the Prosecuting Attorney did not follow up on and resolve 5 old outstanding checks totaling \$564 issued in 2014.

The bank balance of the old bad check bank account was \$37,168 as of December 31, 2015; a list of liabilities has not been prepared; and this account has been dormant since January 2014. In addition, the bank balance of the old court-ordered restitution bank account was \$5,062 as of



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December 31, 2015; a list of liabilities has not been prepared; and this account has been dormant since October 2013 (excluding \$35 in dormant account service charges assessed from November 2014 to May 2015).

Without preparing monthly bank reconciliations, lists of liabilities, and maintaining cumulative book balances there is less assurance receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely. 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. Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law. Various statutory provisions provide for the disposition of unidentified monies.

1.3 Receipting, recording, reconciling, and depositing

The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, reconciling, and depositing monies. We noted the following concerns:

- Receipt slips are not issued for delinquent tax collections. Delinquent tax collections totaled \$1,597 in 2015.
- During a cash count conducted on April 14, 2016, we noted unnumbered receipt slips created using computer software by office personnel are issued for the collection of bad check and court-ordered restitution and fees. A printed copy of these receipt slips is filed in the individual case files, but a centralized file or record of all receipt slips issued is not retained manually or electronically. According to office personnel, use of this software to create receipt slips began in December 2015.
- Manual receipt slips issued are not reconciled with monies posted to the computerized accounting system or to the monthly collection report.
- Monies received are not recorded timely in the computerized accounting system. Office personnel indicated payments received for restitution of bad checks are not posted to the system until the restitution is paid in full. During our review of monies received in August 2015, \$1,394 of the \$3,806 collected for bad check restitution had not been posted to the computerized accounting system as of April 2016.
- Money orders are not restrictively endorsed upon receipt. During a cash count conducted on April 14, 2016, we noted 13 money orders totaling \$2,435 had not been restrictively endorsed.



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- Monies are not deposited timely. During August 2015, 8 of 39 receipts totaling \$533 were not deposited within one week of receipt.
- Several cash payments were received from multiple individuals during 2015, which violated office policy, which indicates no cash is to be received. This office policy is posted on the Prosecuting Attorney's collection window and bad check letters indicate only money orders or cashier's checks will be accepted. During our review of select case files and accounting records, we identified 11 cash payments received in 2015 totaling \$1,010.

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

1.4 Bad check fee
disbursements

The Prosecuting Attorney did not disburse all bad check fees received to the County Treasurer. Due to formula errors in the monthly collection reports, bad check fees received in 2014 and 2015 totaling \$1,055 had not been disbursed to the County Treasurer as of August 2016.

Disbursement of all fees collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. Sections 50.360 and 50.370, RSMo, require all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

1.5 Accounts receivable

The Prosecuting Attorney does not prepare a monthly list of unpaid bad checks and restitution. A complete and accurate list of unpaid bad checks and restitution would allow office personnel to more easily review the amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

1.6 Bad check case
disposition

The Prosecuting Attorney is not fully utilizing the computerized bad check system to monitor the disposition of bad check cases. The computerized bad check system is capable of tracking the receipt and disposition of each bad check complaint; however, the system is not fully utilized. According to office personnel, bad checks are entered into the computer system mainly to generate letters notifying the bad check writers they have 10 days to pay before charges are filed. In addition, the Prosecuting Attorney's office has not generated reports available from the system to account for the numerical sequence of all cases and to ensure cases are appropriately collected or prosecuted, as applicable.

To help ensure all bad checks submitted to the Prosecuting Attorney are accounted for properly, periodic reports of complaints entered on the computer system should be generated and reviewed for completeness. This review should ensure the numerical sequence of each case is accounted for



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properly and the status or disposition of each case in the computer system is accurately recorded.

Similar conditions
previously reported

Similar conditions to sections 1.1, 1.2, and 1.6 were noted in our prior 2 audit reports. Similar conditions to sections 1.3 and 1.5 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 1.1 Segregate accounting duties or ensure supervisory reviews of accounting and bank records are performed and documented.
- 1.2 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled, and maintain cumulative book balances for the bank accounts. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, old outstanding checks should be voided and reissued to payees that can be readily located and the old bank accounts should be closed. If the payee cannot be located and any monies remain unidentified, the monies should be disbursed in accordance with state law.
- 1.3 Issue official prenumbered receipt slips for all monies received, ensure the numerical sequence of receipt slips is accounted for properly, reconcile manual receipt slips issued to the computerized accounting system and the monthly collection report, timely record all monies received in the computerized accounting system, restrictively endorse all money orders as received, deposit monies timely, and ensure compliance with office policy.
- 1.4 Disburse the \$1,055 in fees to the County Treasurer and ensure all fees are disbursed to the County Treasurer monthly in accordance with state law.
- 1.5 Establish procedures to monitor and collect accounts receivable.
- 1.6 Ensure all bad check complaints are entered into the computerized accounting system, and utilize the system to ensure the disposition of all bad check complaints is properly recorded.

Auditee's Response

- 1.1 *As with any office, the Prosecuting Attorney has a limited number of employees. Each of the employees in the Prosecuting Attorney's office has numerous job responsibilities such as meeting with the public, handling phone calls, preparing files for court and trial etc. and sometimes it is necessary for those responsibilities to take priority over accounting procedures. The current segregation of*



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duties is designed to most efficiently utilize limited resources. For example, the employee primarily responsible for receipting, recording, and depositing monies and preparing the monthly fee report is the same employee who works on the cases requiring those duties. That makes the most sense and is the most efficient use of resources. A separate employee is responsible for reconciling all bank accounts as an accounting safeguard to ensure all transactions are accounted for properly. In addition, the Prosecuting Attorney does conduct random informal reviews of the accounting and bank records.

No actual loss, theft or misuse of funds was identified in your audit.

- 1.2 *The Prosecuting Attorney has a limited number of employees and each one had a heavy work load separate from accounting duties. Each of the employees in the Prosecuting Attorney's office has numerous job responsibilities such as meeting with the public, handling phone calls, preparing files for court and trial etc. and sometimes the primary functions of the office and processing of cases in and for court are given priority. Regular reconciliations of the bank accounts would be the ideal and we will strive to achieve that standard.*

One problem we have in our office is that occasionally it takes some time before an offender is apprehended and pays restitution on a check or otherwise. Then when the check is issued the victim may have moved, become deceased, or is no longer in business (for example, one victim is currently in the federal penitentiary with no power of attorney). If the check is issued and is not cashed this can create a discrepancy in our records. As was addressed with the field auditors, we will work on procedures to detect and account for uncashed checks, which have been issued.

Liabilities (unidentified money) existed in the bad check and restitution accounts prior to my tenure as Prosecuting Attorney. A review of previous audits would show that the liabilities existed at the time of those audits and remains in the accounts in the same amounts.

No actual loss, theft or misuse of funds was identified in your audit.

- 1.3 *With regard to delinquent tax collections, payments are usually mailed in to the Prosecuting Attorney's office. In order to provide a receipt we would have to provide envelopes and postage at an unnecessary cost to the county, in as much as all delinquent tax payments are recorded on the Missouri Department of Revenue (DOR) Form 2593, which produces one original and three carbon*



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copies. The form, along with the payment is mailed to the Missouri DOR except one carbon copy is kept in the Prosecuting Attorney's office. Payments are made payable to the Missouri DOR, not the Prosecuting Attorney's office.

With regard to the computerized accounting system, monies received are recorded in a spreadsheet and a receipt is made when it is received. It is not recorded in the computerized accounting system until it is paid out.

All monies are deposited in a timely manner. The audit only identified one month where a handful of deposits were not made within one week (there is no set rule as to a time frame) and the deposits were nonetheless made in a timely manner.

It is a firm office policy that we do not accept cash payments. That policy is posted on our collection window. As identified by the audit we have in very exceptional circumstances accepted cash with the Prosecuting Attorney's approval (in this case it is on an elderly gentleman with limited capabilities). All of the cash payments were deposited and no discrepancies were found with regard to the cash payments.

No actual loss, theft or misuse of funds was identified in your audit.

- 1.4 *There was an employee change in 2014 and the error was from the prior time period. Prior to the audit, procedures were already enacted to correct this problem in the spreadsheet.*
- 1.5 *This criticism and recommendation is neither feasible nor practicable. At any given time we have hundreds if not thousands of open cases. It would be inefficient, if not down-right impossible to maintain this list. It would require dedicating one employee simply to create and maintain the list. It's not necessary in that we do not have any accounts receivable unless a case is filed in court. It is the firm policy of this office that we do not accept payments on bad checks unless they are paid in full or it is after a guilty plea and made a condition of probation. Restitution is not owed unless it is a condition of probation. Probation conditions, including restitution are periodically reviewed in court and records of what each defendant owes are maintained both by the court personnel and the Prosecuting Attorney's office so there is little room for error.*
- 1.6 *We did not have reliable and consistent internet connection in our office until August of 2016. A steady and reliable internet connection is required to fully utilize the computerized bad check system. The Prosecuting Attorney's office has encountered*



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difficulties with the bad check computer program and there has not been recent training available for the system. Our office has utilized that software to the extent that it has actually been helpful. At this point it is a matter of opinion as to whether making further use of the program actually helps to ensure accuracy beyond what is currently achieved. However, we will attempt to make greater use of the computer program to see if it actually improves our case monitoring and disposition. As mentioned above, once a case is filed, it is regularly monitored on the court docket to ensure cases are appropriately collected and prosecuted. Creating "numerical sequences" in most cases would simply be duplicative and not be an efficient allocation of limited resources.

Auditor's Comment

- 1.1 The Prosecuting Attorney's response indicates a separate employee is responsible for reconciling all bank accounts, however, bank reconciliations (as indicated in section 1.2) have not been prepared since 2010, except at our request.
- 1.3 Mailing a copy of a receipt slip to the business/individual paying the delinquent taxes is not necessary; however, preparing a receipt slip for all monies received ensures that all monies received are recorded in one central location and reduces the risk that loss, theft, or misuse of monies received will go undetected.
- 1.5 The accounts receivable balance due on each case is not readily available and cannot be easily monitored and collected by the Prosecuting Attorney's office. Currently each case file must be reviewed to determine the accounts receivable balance.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected monies for civil and criminal process fees, concealed carry weapon permits, bonds, board bills, and other miscellaneous receipts totaling approximately \$238,000 during the year ended December 31, 2015.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting and bank records. The Sheriff's Clerk is responsible for receipting, recording, and depositing monies; and preparing bank reconciliations and the monthly fee report. The Sheriff's review does not include the bank reconciliations, the monthly fee report, or a comparison of monies received to those deposited.

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies. If proper segregation of duties cannot be achieved, documented independent



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or supervisory reviews of accounting and bank records are essential and should include comparing daily receipt activity to deposits.

2.2 Reconciling and depositing

The Sheriff has not established proper controls or procedures for reconciling and depositing monies. We noted the following concerns:

- Manual receipt slips issued are not reconciled to monies transmitted to the court, monies deposited into the office's 2 bank accounts, or on hand. As a result, some monies were not deposited intact. For example, we noted during our cash count on April 27, 2016, a receipt slip for a cash bond totaling \$241 was issued by a jailer on April 23, 2016, but the cash was not on hand or deposited with other bond monies on April 25, 2016. The Clerk could not explain where this bond money was found, but it was subsequently deposited on April 29, 2016.

In another example, a bond receipt slip was issued by a jailer on November 7, 2015, for \$5,000 cash; however, only \$2,500 cash was transmitted to the court. The Sheriff indicated the handling of the receipt was reviewed and the review indicated the jailer counted \$5,000 and returned \$2,500 back to the individual posting the bond. The review performed was not documented.

- Monies received are not deposited timely. Deposits are typically made weekly.

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

2.3 Bank reconciliations

Follow up procedures have not been performed on reconciling items shown on bank reconciliations of the civil and criminal bank accounts. During our review of the December 31, 2015, bank reconciliations, we identified the following concerns:

- The Clerk failed to record and disburse a \$838 direct deposit to the criminal bank account received in October 2015 for payments in lieu of taxes (PILT) or investigate why the office received the payment until our inquiry in May 2016. The county's PILT was direct deposited into the Sheriff's bank account in error.
- The list of liabilities for the civil bank account totaled \$1,860, while the reconciled bank balance was \$1,930, resulting in an unidentified difference in the account of \$70.

Adequate follow up of reconciling items and differences is necessary to ensure bank activity and accounting records are in agreement, detect and



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correct errors timely, and ensure all monies are properly recorded and/or disbursed to the payee.

2.4 Seized property

The Sheriff has not established adequate controls over seized property. Complete and accurate logs of seized property are not maintained, and periodic inventories of seized property are not conducted. During our review of the seized property logs and items on hand as of May 2016, we identified 10 of 15 items selected for review were recorded on the seized property logs, but were not on hand, and 16 of another 20 items selected for review were on hand (including cash of \$5,298), but were not recorded on the seized property logs. In addition, access is not adequately restricted to some of the seized property. All deputies have access to the holding locker where evidence is stored before it is recorded and moved to the main evidence room or sent to the lab.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of seized property. 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 is accounted for properly.

2.5 Written agreements

The Sheriff has not entered into a written agreement with the City of Mansfield for dispatching and patrolling services. The City of Mansfield paid the Sheriff's office \$4,800 for these services during 2015.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

2.6 Signature stamp

The Sheriff does not properly control his signature stamp. He allows the Clerk to apply the signature stamp to timesheets and invoices documenting his supervisory approval, but does not subsequently review use of the stamp.

Allowing employees to apply a signature stamp to timesheets and payment requests reduces controls over payroll and disbursements and could lead to improper payments. If the Sheriff is unavailable to sign timesheets or other payroll records and invoices, he should subsequently document his review of documents approved using the stamp.

Similar conditions previously reported

Similar conditions to sections 2.1 and 2.4 were noted in our prior 2 audit reports.



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Recommendations

The Sheriff:

- 2.1 Segregate accounting duties or ensure an adequate independent or supervisory review of accounting and bank records is performed and documented.
- 2.2 Reconcile manual receipt slips issued to transmittals to the court, monies deposited, and on hand. In addition, the Sheriff should ensure receipts are deposited timely and intact.
- 2.3 Ensure any differences are promptly investigated and review reconciling items identified on bank reconciliations.
- 2.4 Ensure seized property records are accurate and complete, and a periodic inventory is taken and reconciled to the property records. In addition, the Sheriff should ensure access to all seized property is adequately restricted.
- 2.5 And the County Commission should obtain a written agreement with the City of Mansfield for dispatching and patrolling services.
- 2.6 Limit use of the signature stamp and document a subsequent review of the documents approved using the stamp.

Auditee's Response

- 2.1 *Segregating duties is not feasible; however, I will perform an independent review of the monthly report, the bank reconciliation, and a periodic review of receipts to deposits.*
- 2.2 *I will require the Clerk to reconcile the manual receipt slips to the transmittals to the court, monies deposited, and monies on hand periodically. I will ensure the receipts are deposited timely and intact.*
- 2.3 *I will review the bank reconciliation and promptly investigate any differences.*
- 2.4 *Measures have been taken to ensure seized property records are complete, accurate, and are reviewed, and access has been restricted to seized property. I have plans to perform a documented review of inventory at the end of the year.*
- 2.5 *By the end of the year, we will no longer be charging the City of Mansfield for these services.*



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2.6 *In the rare instances the signature stamp is used, I verbally approve the use of the stamp. I will perform a documented review of all uses of the signature stamp upon returning to the office.*

3. Electronic Data Security

3.1 Passwords

Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

The County Assessor, County Collector,¹ Recorder of Deeds, and the Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user and are not required to have a minimum number of characters in the passwords. The County Collector's office employees also share passwords. Additionally, user access was not promptly deleted after an employee in the Recorder of Deeds' office ended employment in April 2015. This former employee still had user access in April 2016.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters in certain offices and are shared by employees in some cases, 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, confidential, changed periodically, and user access for terminated employees promptly deleted to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

3.2 Security controls

Security controls are not in place to lock computers in the offices of the County Collector and the Recorder of Deeds after a specified number of unsuccessful logon attempts. Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

¹ County Collector refers to the former County Collector, who was in office until July 26, 2016, the date of her resignation.



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- 3.1 Require unique passwords for each employee that are confidential, contain a minimum number of characters, and are periodically changed to prevent unauthorized access to the county's computers and data, and ensure user access for terminated employees is promptly removed.
- 3.2 Require each county computer to have security controls in place to lock computers after a specified number of unsuccessful logon attempts.

Auditee's Response

- 3.1 *The County Commission will work with other officials to require unique passwords for each employee that are confidential, contain a minimum number of characters, and are periodically changed to prevent unauthorized access to the county's computers and data, and ensure terminated employees user access is promptly deleted.*
- 3.2 *The County Commission will work with other county officials to require each county computer to have security controls in place to lock computers after a specified number of unsuccessful logon attempts.*

4. Senate Bill 40 Board's Controls and Procedures

The Senate Bill 40 (SB40) Board's controls and procedures need improvement. Sections 205.968 through 205.972, RSMo, allow counties to establish a SB40 Board and related tax levy to establish or contract to provide a sheltered workshop, residence facility, or related services for the care and/or employment of persons with a disability. The SB40 Board handled approximately \$172,000 in property taxes and other miscellaneous receipts during the year ended December 31, 2015.

4.1 Property purchases and planning

The SB40 Board purchased land and buildings for possible construction or renovation of a sheltered workshop facility without adequate project planning. In 2012, the SB40 Board purchased land for \$30,280 to build a new sheltered workshop facility for a not-for-profit organization. However, the facility has not been built due to disagreements between the SB40 Board and the organization. This problem led to the SB40 Board spending \$310,357 in 2016 to purchase another piece of land with a building. The SB40 Board does not have a documented plan for the renovation of the newly purchased building, but the SB40 Board President indicated the Board plans to pay for remodeling costs as they occur and has estimated remodeling the building to cost approximately \$250,000. The SB40 Board does not have a need for the original property purchased in 2012.

Proper long-term planning prior to beginning a project is necessary to ensure the successful completion of the project. A cost analysis of the project considering all costs involved including the purchase of property, construction, and subsequent maintenance and operations is necessary to



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determine the amount of funding necessary. Ensuring adequate funding will be available for costs related to the project and including subsequent maintenance and operations is necessary to determine whether the project is feasible.

4.2 Sunshine Law

The SB40 Board did not always ensure compliance with the Sunshine Law.

For closed meetings held by the SB40 Board, open meeting minutes did not always accurately cite the specific statute and subsection allowing the closure. In addition, the SB40 Board discussed issues in closed meetings, such as the hiring of an attorney (including retainer fees and hourly rates to be charged) and the Board Treasurer's financial reports, that are not allowable under the Sunshine Law.

The Sunshine Law, Chapter 610, RSMo, requires the question of holding the closed meeting and the reason for the closed meeting to be voted on at an open meeting. Additionally, the Sunshine Law also limits discussion topics and actions in closed meetings to only those specifically allowed by state law.

Recommendations

The Senate Bill 40 Board:

- 4.1 Develop documented plans for the properties purchased.
- 4.2 Ensure open meeting minutes document the correct specific statutory reason for entering closed meetings, and ensure items discussed in closed meetings comply with the Sunshine Law.

Auditee's Response

- 4.1 *During 2012, the Board purchased property located on Busch Street in Mountain Grove, Missouri. This property was purchased to build a new sheltered workshop for Unique Services, Inc. Several meetings were held to try to come to an agreement on the dimensions of the new workshop and the specific dimensions of the different units on the interior of the new building. Several drawings had been made up to that point, and attempts were made to discuss these plans with the Unique Services Board.*

While trying to resolve the above-mentioned issue, it came to the attention of both of our Boards that a large pre-existing building had been listed for sale. Our Board contacted the realtor, who had it listed, who made it possible for all of the Board members from both of our Boards to view the interior of the building, to see if it might be suitable for the new sheltered workshop for Unique Services. During subsequent joint Board meetings, it was discussed at great length with the thought that we could remodel the existing building for Unique Services new workshop, with our Board voting to bid on the building. The original property that our Board had



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purchased in 2012 could be developed for a second group home at a later date. The first group home our Board built has been occupied with clients since the day the doors opened, with a long waiting list of clients.

Our Board currently has a documented plan for remodeling the interior building we purchased for the new workshop. Several joint Board meetings were held, with several drawings showing the needs of Unique Services to have each portion of the interior placed where they would be necessary for the new workshop to specifically have their work flow as needed. The final drawing of the proposed interior was approved by vote, which then made it possible for the Board to go ahead and contact several architectural firms to find one or more that had experience building and/or remodeling sheltered workshops. Our Board hired a firm for the project in August 2016, who provided us with their fees for their work. Our Board deemed the project as feasible and proceeded with the plans.

As funds become available, formal plans for the original land purchase and the construction of a group home will be documented.

- 4.2 *The Board obtained a Sunshine Law booklet and familiarized itself with its requirements. In the future we will ensure open meeting minutes document the correct specific statutory reason for entering closed meetings and items discussed in closed meetings comply with the Sunshine Law.*

Auditor's Comment

- 4.1 While the SB40 Board had general discussions regarding purchasing and remodeling the building and land, no documented formal plans had been prepared at the time of the audit or prior to purchase. In August 2016, the Board approved a drawing and obtained cost estimates from a firm for the remodeling of the building purchased. No formal documented plans have been prepared for the original land purchased.

Wright County

Organization and Statistical Information

Wright County is a county-organized, third-class county. The county seat is Hartville.

Wright 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 52 full-time employees (including elected officials) and 6 part-time employees on December 31, 2015.

In addition, county operations include a Senate Bill 40 Board.

Elected Officials

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

Officeholder	2016	2015
Zach Williams, Presiding Commissioner	\$	29,060
Randy Pamperien, Associate Commissioner		27,060
Mike Sherman, Associate Commissioner		27,060
Kathy Garrison, Recorder of Deeds		41,000
Nelda Masner, County Clerk		41,000
Jason W. MacPherson, Prosecuting Attorney		135,053
Glenn Adler, Sheriff		45,000
Naomi Gray, County Treasurer		41,000
Ben Hurtt, County Coroner		41,000
John T. Miller, Public Administrator		41,000
Cindy Cottengim, County Collector (1), year ended February 29,	43,958	
Brenda Day, County Assessor, year ended August 31,		41,000

(1) Includes \$2,958 of commissions earned for collecting city property taxes.