

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

**Nicole Galloway, CPA**

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**Missouri State Auditor**

**Greene County Collector and  
Property Tax System**

Report No. 2021-101

October 2021

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Greene County Collector and Property Tax System

Personal Property Tax  
Statements Controls

The county implemented a new personal property assessment system without fully developing and testing the compatibility with the property tax billing and collection system used by the County Clerk and County Collector's office prior to the deadline for issuing the 2020 personal property tax statements.

In the areas audited, the overall performance of this entity was **Good**.\*

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\*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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# Greene County Collector and Property Tax System

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## **NICOLE GALLOWAY, CPA**

### **Missouri State Auditor**

County Commission  
and  
County Collector  
Greene County, Missouri

We have audited the County Collector and Property Tax System of Greene County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On February 28, 2021, a vacancy occurred in the office of the County Collector of Greene County. A successor was appointed and sworn into office effective March 1, 2021. The scope of our audit included, but was not necessarily limited to, the year ended February 28, 2021. The objectives of our audit were to:

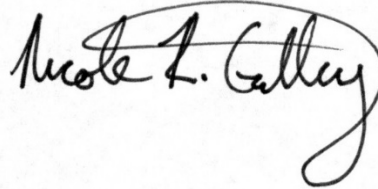
1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing 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 reviewed receipt and disbursement transactions, addition and abatement activity, commissions, and the annual settlement; and performed sample testing of some of these areas using haphazard and judgmental selection, as appropriate. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. 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 Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any funds owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our finding arising from our audit of the County Collector and Property Tax System of Greene 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:

Senior Director:	Randall Gordon, M.Acct, CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Troy Royer
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# Greene County Collector and Property Tax System Management Advisory Report State Auditor's Findings

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## **Personal Property Tax Statements Controls**

The Greene County Collector and Property Tax System did not have adequate controls and procedures over the timely preparation of accurate personal property tax statements following the implementation of a new personal property assessment system in January 2020. The County Collector was charged with collecting approximately \$55 million in personal property taxes for the year ended February 28, 2021.

County officials could not prepare accurate personal property tax statements to mail to taxpayers by November 30, 2020. A new personal property assessment system implemented in the County Assessor's office could not initially correctly transfer assessed valuations for personal property to the property tax billing and collection system used by the County Clerk and County Collector's offices. County officials worked with the personal property assessment system's vendor to correct this issue and in December 2020 the assessed valuation information accurately transferred to that system. County officials then prepared and mailed the majority of the statements in December 2020 and extended the personal property tax payment deadline from December 31, 2020, to January 31, 2021.

County officials also continued to correct other known assessment errors that occurred following implementation of the new personal property assessment system. In addition, some taxpayers notified the County Collector about receiving inaccurate statements or not receiving statements. County officials corrected these issues and mailed new statements to affected taxpayers in January 2021 and extended the deadline for payment for all taxpayers to February 28, 2021.

As a result, the county did not assess and collect interest of 2 percent and the 9 percent penalties on unpaid personal property tax payments totaling approximately \$38 million received for the 2020 tax year between January 1, 2021, and February 28, 2021. The County Collector reported approximately \$197,000 less in interest and \$390,000 less in penalties on the annual settlement for the year ended February 28, 2021, than for the year ended February 29, 2020.

It is essential the County Collector and the county establish controls and procedures to prepare and mail accurate and timely personal property tax statements as required by state law. Section 52.230, RSMo, requires County Collectors to mail to all resident taxpayers, at least 30 days prior to the delinquent date, a statement of all personal property taxes due. Section 52.240.5, RSMo, establishes the delinquent date as December 31 for the payment of personal property taxes.

## **Recommendation**

The County Collector work with the County Commission, County Assessor, and County Clerk to ensure accurate personal property tax statements are prepared and mailed in compliance with statutory requirements.



Greene County Collector and Property Tax System  
Management Advisory Report - State Auditor's Findings

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## Auditee's Response

*The County Collector now has controls and procedures in place to prepare accurate property tax statements. Due to the challenges of the new personal property assessment system and the assessed valuation data derived from the County Assessor to the County Clerk to the County Collector, we found the need to begin meeting periodically beginning in 2020. The meeting process continued in 2021 to include the County Commission, the Information Technology department and the County Auditor, along with the new County Collector and new County Assessor. This will ensure that statements are prepared and mailed in compliance with statutory requirements.*

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# Greene County Collector and Property Tax System Organization and Statistical Information

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The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Leah Betts served as County Collector until February 28, 2021. Allen Icet was appointed the Greene County Collector and sworn into office on March 1, 2021.

During the year ended February 28, 2021, the County Collector received compensation of \$82,569. Compensation was in accordance with statutory provisions.