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Missouri State Auditor

Texas County

Report No. 2022-125

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auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Summary of findings in the audit of Texas County

Sheriff's Controls and Procedures

The Sheriff's office has not entered into written agreements with other counties or cities to provide for the boarding of prisoners, detailing the housing rate to be paid. The Sheriff does not have proper controls and procedures in place to ensure all costs for boarding non-state prisoners are adequately billed upon release and pursued. Sheriff's office personnel do not always deposit timely. The Sheriff does not have adequate procedures to ensure an inmate's remaining account balance is refunded upon release. Sheriff's office personnel do not prepare a monthly list of liabilities for the inmate commissary account, and consequently, liabilities are not agreed to the reconciled bank balance. Sheriff's office personnel do not regularly remit net proceeds from the inmate commissary account to the County Collector-Treasurer for deposit into the Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff's office does not charge or collect sales tax on e-cigarettes sold to inmates not handled by the commissary vendor, and no sales taxes are remitted to the state Department of Revenue.

County Collector-Treasurer and Property Tax System

Incorrect percentages were used to calculate some commissions collected by the County Collector-Treasurer for the year ended February 28, 2022, resulting in the county collecting a total of \$72,781 more than allowed by law in December 2021. The county has not adequately restricted property tax system access. The County Collector-Treasurer and her office personnel have access rights in the property tax system allowing them to make changes to individual tax records and there is no independent review of changes made to individual tax records in the system. The County Collector-Treasurer and her office personnel had access to the county payroll system for 5 months longer than needed. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. The County Clerk and the County Commission do not perform adequate procedures to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books.

County Clerk's Procedures

The previous County Clerk did not pay credit cards timely. The previous County Clerk did not maintain adequate documentation to support some expenditures and liquor license receipts.

Public Administrator's Controls and Procedures

The Public Administrator does not always file annual settlements timely. The former Public Administrator did not turn over all applicable accounts to the current Public Administrator when her term expired.

Prosecuting Attorney's
Controls and Procedures

The Prosecuting Attorney maintains an inactive bad check bank account. The Prosecuting Attorney's office does not generate or prepare monthly lists of unpaid bad checks or a report of unpaid court-ordered restitution, including court-ordered restitution for bad checks.

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

County Commission
and
Officeholders of Texas County

We have audited certain operations of Texas County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2021. The objectives of our audit were to:

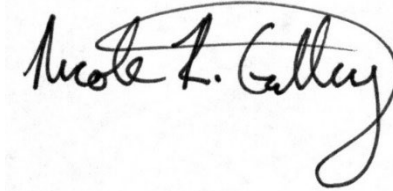
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

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 performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. 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'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 control, (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 Texas County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping initial "N".

Nicole R. Galloway, CPA
State Auditor

Texas County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed receipts for civil process fees, concealed carry weapon (CCW) permits, bonds, inmate money, and other miscellaneous receipts totaling approximately \$239,000 during the year ended December 31, 2021.

1.1 Prisoner boarding

The Sheriff's office has not entered into written agreements with other counties or cities to provide for the boarding of prisoners, detailing the housing rate to be paid. In addition, the Sheriff does not have proper controls and procedures in place to ensure all costs for boarding non-state prisoners are adequately billed upon release and pursued.

The Sheriff's office collected approximately \$324,000 for the boarding of prisoners during the year ended December 31, 2021, without a written agreement between the county and other counties and cities. The Sheriff indicated that because the County Commission sets the boarding rate, he did not believe a contract was necessary. In addition, the Sheriff's office does not follow up on outstanding board bills. Since the Sheriff does not use software to calculate and track bills, we reviewed the Sheriff's records and calculated outstanding costs. We noted approximately \$9,000 in outstanding board bills dating back to 2018. The Jail Administrator indicated they do not have adequate time to follow up on outstanding bills.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved and specifying the services to be rendered and the manner and amount of compensation to be paid, are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Monitoring unpaid board bills and taking appropriate follow-up action helps ensure payments are received. Failure to bill and monitor unpaid amounts due may result in the cost of housing these prisoners resting solely on the county.

1.2 Depositing

Sheriff's office personnel do not always deposit timely due to being short-staffed. We reviewed all receipt slips for 2 fee account deposits, totaling \$46,475, from the year ended December 31, 2021. We noted \$6,121 in all-terrain vehicle and CCW permits, fingerprinting fees, inspection fees, and bond money collected from November 3, 2021, through November 5, 2021, were not deposited until November 12, 2021. In addition, on March 1, 2022, we counted \$3,624 in undeposited money that was receipted between January 26, 2022, and February 25, 2022.

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

1.3 Inmate commissary account

The Sheriff does not have adequate procedures to ensure an inmate's remaining account balance is refunded upon release. As of December 31,



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2021, the Sheriff's office was holding approximately \$7,000 for 819 inmates in the commissary bank account, with the oldest balances dating back to 2009. During 2021, the Sheriff's office began providing inmates a debit card loaded with their remaining account balance upon release. Jail officials indicated they were not sure how to handle balances for inmates released before 2021.

Follow up on inactive accounts is necessary to ensure money is appropriately disbursed to the former inmates or as otherwise provided by state law. In addition, continuing new procedures to refund an inmate's remaining balance upon release will allow the Sheriff to more adequately safeguard any money held and reduce the risk of its loss, theft, or misuse.

1.4 Liabilities

Sheriff's office personnel do not prepare a monthly list of liabilities for the inmate commissary account, and consequently, liabilities are not agreed to the reconciled bank balance. The reconciled bank balance as of December 31, 2021, was \$46,465. Liabilities totaled \$46,178, resulting in a \$287 unidentified balance. The Jail Administrator indicated he took office in January 2022, and he was unaware of the need for a monthly liabilities list.

Monthly lists of liabilities that are agreed to the reconciled bank balance are necessary to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities. Prompt follow up on discrepancies is necessary to resolve errors and ensure money is properly disbursed. Various statutory provisions provide for the disposition of unidentified money.

1.5 Inmate Prisoner Detainee Security Fund

Sheriff's office personnel do not regularly remit net proceeds from the inmate commissary account to the County Collector-Treasurer for deposit into the Inmate Prisoner Detainee Security Fund as required by state law. Any amount in the bank account exceeding the inmate money and other liabilities is considered commissary net proceeds. The Sheriff's office deposits net proceeds from commissary sales along with other inmate money in the inmate commissary bank account that had a balance of \$46,465 at December 31, 2021. The Sheriff's assistant was able to identify \$17,678 of e-cigarette profit and \$3,503 of other commissary profits as of December 31, 2021. The Sheriff's assistant stated a lump sum is transferred annually such as the \$60,000 transferred in October 2021. The new Jail Administrator indicated he is learning on the job and was unaware this needed to be done on a regular basis.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expense, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Collector-Treasurer. Allowing net proceeds



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to accumulate in the account without preparing a monthly list of liabilities, as stated in finding 1.4 above, increases the risk of undetected and unresolved errors.

1.6 Sales tax

The Sheriff's office does not charge or collect sales tax on e-cigarettes sold to inmates not handled by the commissary vendor, and no sales taxes are remitted to the state Department of Revenue (DOR). The Sheriff's assistant indicated they were unaware they needed to collect sales tax on e-cigarettes.

Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Section 144.080, RSMo, requires sales tax collections be remitted to DOR on a monthly, quarterly, or annual basis, depending on the amounts collected. Therefore, the Sheriff should be charging and collecting sales tax and remitting tax collections to the DOR.

Similar conditions previously reported

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

Recommendations

The Sheriff:

- 1.1 Work with the County Commission to obtain written agreements with the counties and cities for the boarding of prisoners. In addition, the Sheriff should develop procedures to monitor and pursue collection of costs for boarding non-state prisoners.
- 1.2 Ensure deposits are made timely.
- 1.3 Attempt to return unclaimed balances to the former inmates. If the payee cannot be located, the amount should be disbursed in accordance with state law.
- 1.4 Prepare a monthly list of liabilities and reconcile the list to the reconciled bank balance. Any differences should be promptly investigated and resolved, and any unidentified money disposed of in accordance with state law.
- 1.5 Disburse net proceeds not necessary to meet cash flow needs or current operating expenses to the County Collector-Treasurer for deposit into the Inmate Prisoner Detainee Security Fund.
- 1.6 Contact the DOR for guidance on establishing procedures for charging and collecting sales tax on e-cigarettes and ensure future sales tax collections are remitted to the DOR.



Auditee's Response

The Sheriff provided the following responses:

- 1.1 *The Sheriff's Office/Texas County Jail will work with the Commission regarding written agreements with other counties and cities concerning the cost of board bills and payment. We will also discuss different options for the course of action when board bills are not paid. The Missouri Sheriff's Association is also trying to develop a solution for all counties in the state.*
- 1.2 *The Sheriff's Office will deposit more frequently.*
- 1.3 *The Jail Administrator will begin turning over unclaimed inmate balances to the Missouri State Treasurer's Unclaimed Property Division.*
- 1.4 *The Jail Administrator will begin preparing a monthly listing of liabilities. If there are any, the Jail Administrator will promptly investigate any discrepancies in the listing of liabilities and make sure it is reconciled with the bank balances.*
- 1.5 *The Jail Administrator will begin a regular schedule of transferring funds from the inmate commissary account to the Collector-Treasurer's Inmate Prisoner Detainee Security Fund.*
- 1.6 *E-Cigarettes are no longer available in the jail. The Jail Administrator has already contacted the DOR and begun the process of acquiring what is needed to begin charging and collecting sales tax on certain items sold within the jail for commissary and has begun the procedure to transfer tax collections to the DOR.*

The County Commission provided the following response:

- 1.1 *We will consider the recommendation. We will discuss this with other counties.*

2. County Collector-Treasurer and Property Tax System

Controls and procedures over the property tax system need improvement. The County Collector-Treasurer processed property tax collections totaling approximately \$13.2 million during the year ended February 28, 2022.

2.1 Commissions

Incorrect percentages were used to calculate some commissions collected by the County Collector-Treasurer for the year ended February 28, 2022, resulting in the county collecting a total of \$72,781 more than allowed by law in December 2021.



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The County Collector-Treasurer incorrectly withheld a 3 percent commission on current real estate and personal property taxes instead of the 2 percent allowed by law. For December 2021, this resulted in the county collecting \$77,478 more than allowed, and therefore, amounts are owed to various political subdivisions. The County-Collector Treasurer indicated this occurred because the County Clerk entered the incorrect commission percentage into the property tax system. No one in the county reviewed the commission rates entered into the system.

In addition, the County Collector-Treasurer incorrectly withheld a 2 percent commission on all railroad and utility taxes collected rather than the required 3 percent. For December 2021, this resulted in \$4,697 less withheld than allowed. The County Collector-Treasurer stated she believed the commission amount for Railroad and Utility taxes was based on the 2 percent fee collected on total collections of current real and personal property taxes, and not the 3 percent statutory rate for railroad and utility taxes.

Section 54.280.2, RSMo, provides the commission fee structure for the collection of current taxes. It allows a 2 percent commission rate when the total amount of taxes levied is between \$9 million and \$13 million. Current taxes levied for Texas County for the year ended February 28, 2022, were approximately \$11.9 million.

Section 54.320.1, RSMo, requires the County Collector-Treasurer to collect on behalf of the county a fee of 3 percent on all licenses, including current railroad and utility taxes, surtax, back taxes, delinquent taxes, and interest collected by the County Collector-Treasurer to be deducted from the amounts collected.

2.2 Computer access

The county has not adequately restricted property tax system access. The County Collector-Treasurer and her office personnel have access rights in the property tax system allowing them to make changes to individual tax records and there is no independent review of changes made to individual tax records in the system. The County Collector-Treasurer indicated she does not make changes to individual tax records and is unsure why she has access. Because the County Collector-Treasurer is responsible for collecting tax money, the ability to alter tax records represents a significant weakness in internal controls. Good internal controls require the County Collector-Treasurer and other office personnel not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information.

In addition, the County Collector-Treasurer and her office personnel had access to the county payroll system for 5 months longer than needed. The County Commission provided the County Collector-Treasurer access to the payroll system in October 2021, when the prior County Clerk was not fulfilling her job duties; however, the county did not remove the access until



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April 2022 after we discussed this matter with the County Clerk. The new County Clerk took office on November 16, 2021, at which point, the County Collector-Treasurer no longer needed access.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books upon order of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper. In addition, access to the payroll system should be limited based on user needs to prevent unauthorized changes to the payroll records.

2.3 Account book and annual settlements The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. Although the County Clerk maintains files of tax charges, additions and abatements, and the County Collector-Treasurer's monthly settlements, the County Clerk does not use this information to create an account book. In addition, the County Clerk and the County Commission do not perform adequate procedures to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax money going undetected, and less assurance the annual settlements are complete and accurate. The County Clerk indicated her predecessor did not maintain an account book but she is working with the County Collector-Treasurer to develop one.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with money payable into the county treasury. An account book or other record that summarizes all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, addition and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector-Treasurer are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector-Treasurer's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector-Treasurer. Such procedures are intended to establish checks and balances related to the collection of property taxes.

2.4 Tax books The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector-Treasurer prepares the real estate and personal property tax books using assessed valuations and tax levies provided by the County Clerk. The County Collector-Treasurer indicated she prepares the tax books for the County Clerk. However, because the County Collector-Treasurer is responsible for collecting property tax money and prepares the tax additions and abatements, good internal controls and state



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law require someone independent of the collection process be responsible for generating and testing the accuracy of the tax books. In addition, the County Collector-Treasurer prepares the delinquent tax books by combining the uncollected taxes from the current tax year and uncollected taxes from all prior years. The County Clerk indicated that because she took office in October 2021, she is still working with the County Collector-Treasurer to produce the tax books in the future.

A review of the current and delinquent tax books should include verification of individual entries in the current tax books and recalculating tax book totals and charges. Failure to properly prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector-Treasurer with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector-Treasurer should be documented.

Similar conditions
previously reported

Similar conditions to sections 2.1 and 2.2 were noted in our prior audit report.

Recommendations

- 2.1 The County Collector-Treasurer recalculate all commissions and correct distributions to the various political subdivisions. The County Collector-Treasurer should also ensure the correct percentage is collected on all commissions including reviewing commission amounts periodically to ensure they are in accordance with state statutes.
- 2.2 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. The County Commission should work with the County Collector-Treasurer to ensure property tax and payroll system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.
- 2.3 The County Clerk maintain an account book with the County Collector-Treasurer. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector-Treasurer's annual settlements.
- 2.4 The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the



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County Collector-Treasurer with the property tax amounts to be collected. The County Clerk's procedures should be documented.

Auditee's Response

The County Collector-Treasurer provided the following response:

2.1 *I will work with the County Commission to correct distributions. The commission percentages have been corrected and double checked.*

The County Commission and County Clerk provided the following responses:

2.2&

2.3 *We have implemented the recommendation.*

The County Clerk provided the following response:

2.4 *I have implemented the recommendation.*

3. County Clerk's Procedures

The County Clerk's procedures for paying credit cards timely and maintaining expenditure and revenue documentation need improvement.

3.1 Credit cards

The previous County Clerk did not pay credit cards timely. The county maintains 8 credit cards for use by various county offices. The previous County Clerk did not pay the billings for 2 of these cards from July to October 2021. The county incurred a \$77 late fee. The County Commission and current County Clerk do not know why the former County Clerk did not pay timely.

Controls and procedures to ensure timely disbursements are necessary to prevent unnecessary fees and finance charges.

3.2 Supporting documentation

The previous County Clerk did not maintain adequate documentation to support some expenditures and liquor license receipts. During our review of County Commission meeting minutes, we noted the County Clerk did not always provide invoices to the County Commission. We judgmentally selected one month to review for invoice documentation. During our review of expenditures for the month September 2021, we identified 91 payments totaling \$86,100 that did not have supporting documentation. In addition, the County Clerk did not maintain copies of 31 liquor licenses that were paid in June 2021. We contacted a selection of vendors to confirm the liquor licenses were paid and issued.

All expenditures should include proper supporting documentation that is reconciled to billing statements to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds. In addition, to reduce the risk of loss, theft, of misuse of liquor license money,



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and to provide assurance all liquor license money is accounted for properly, procedures to account for liquor licenses should be improved. Retention of records is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records.

Recommendations

- 3.1 The County Commission and County Clerk implement procedures to ensure bills are paid timely to avoid late fees.
- 3.2 The County Clerk maintain supporting documentation for all expenditures and liquor licenses.

Auditee's Response

The County Commission and County Clerk provided the following response:

- 3.1 *Bills are now paid timely and we have not had any late fees.*

The County Clerk provided the following response:

- 3.2 *We have implemented the recommendation.*

4. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 45 wards and estates as of December 31, 2021.

4.1 Annual settlements

The Public Administrator does not always file annual settlements timely. During our review of 6 active cases with annual settlements due in 2021, we found the Public Administrator did not file the annual settlement in 2021 for any of them. The Public Administrator indicated the previous Public Administrator used an attorney to prepare the settlements through December 2020; however, the county did not contract with a new attorney until October 2021.

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 filing of annual settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

A similar finding was noted in our prior 4 audit reports.



4.2 Former Public Administrator cases

The former Public Administrator did not turn over all applicable accounts to the current Public Administrator when her term expired. The former Public Administrator issued two checks dated December 17, 2020, to be deposited into new bank accounts for the current Public Administrator, but did not turn the checks over to the current Public Administrator timely. The current Public Administrator deposited one check for \$30,000, upon receipt, on November 3, 2021. The current Public Administrator deposited another check for \$374,500, upon receipt, on April 14, 2021. The current Public Administrator indicated the former Public Administrator was working on closing the bank accounts and finalizing annual settlements, but was unable to finish her work.

Section 473.767, RSMo, requires the public administrator to deliver property prior to leaving his or her term of office. Timely turnover of ward assets is necessary to allow the newly elected official to administer cases effectively, and reduce the possibility that loss, theft, or misuse of funds will go undetected.

Recommendations

The Public Administrator:

- 4.1 File annual settlements timely.
- 4.2 Ensure all records are timely turned over at the end of term as required by state law.

Auditee's Response

- 4.1 *I will implement the recommendation. I am in the process of filing annual settlements for all wards.*
- 4.2 *I will implement the recommendation.*

5. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$121,000 in bad check and court-ordered restitution and fees and delinquent taxes during the year ended December 31, 2021.

5.1 Inactive bank account

The Prosecuting Attorney maintains an inactive bad check bank account. The balance of this account was \$6,165 as of December 31, 2021, comprised of unidentified money. The Prosecuting Attorney indicated his office is working on reducing the account balance in order to close the account; however, more current matters have priority.

Maintaining an inactive bank account increases the risk of loss, theft, or misuse of funds. Various statutory provisions provide for the disposition of unclaimed money.



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5.2 Accounts receivable

The Prosecuting Attorney's office does not generate or prepare monthly lists of unpaid bad checks or a report of unpaid court-ordered restitution, including court-ordered restitution for bad checks. The Prosecuting Attorney indicated the office generates restitution reports for some individuals to support criminal motions made during proceedings to revoke probation. At our request, a list of accounts receivable was prepared as of February 4, 2022, that identified \$31,600 of unpaid bad checks and \$404,906 in outstanding court-ordered restitution. The court-ordered restitution cases dated back to 2010 and 8 of the 227 account balances were greater than \$10,000.

A complete and accurate list of unpaid bad checks and restitution would allow the Prosecuting Attorney's office to more easily review the amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

Similar conditions previously reported

A condition similar to section 5.1 was noted in our prior 4 audit reports, and a condition similar to section 5.2 was noted in our prior 2 audit reports.

Recommendations

The Prosecuting Attorney:

- 5.1 Dispose of money held in the inactive bank account in accordance with state law and close the account.
- 5.2 Establish procedures to monitor and collect accounts receivable.

Auditee's Response

- 5.1&
- 5.2 *I will implement the recommendations.*

Texas County Organization and Statistical Information

Texas County is a township-organized, third-class county. The county seat is Houston.

Texas 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 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. In addition to elected officials, the county employed 67 full-time employees and 8 part-time employees on December 31, 2021. The townships maintain county roads.

In addition, county operations include a Habilitation Board.

Elected Officials

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

| Officeholder | 2022 | 2021 |
|--|--------|---------|
| Scott Long, Presiding Commissioner | \$ | 30,380 |
| John Casey, Associate Commissioner | | 28,380 |
| Doyle Heiney, Associate Commissioner | | 28,380 |
| Lindsay Koch, Recorder of Deeds | | 43,000 |
| Peggy Seyler, County Clerk (1) | | 9,429 |
| Laura Crowley, County Clerk | | 34,731 |
| Parke J. Stevens, Jr., Prosecuting Attorney | | 145,334 |
| Scott Lindsey, Sheriff | | 47,999 |
| Marie Lasater, County Coroner | | 15,000 |
| Tina Garrett, Public Administrator | | 43,000 |
| Tammy Cantrell, County Collector-Treasurer, year ended February 28, (2) | 51,740 | |
| Debbie James, County Assessor, year ended August 31, | | 43,000 |
| Charles Manier, County Surveyor (3) | | |

(1) Laura Crowley resigned in October 2021. Peggy Seyler served as interim County Clerk until she was appointed as the County Clerk effective November 16, 2021.

(2) Includes \$8,740 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.