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Missouri State Auditor

Ste. Genevieve County Collector and
Property Tax System

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Ste. Genevieve County Collector and Property Tax System

County Collector Controls and Procedures	The former County Collector distributed \$2,044 more in fees than collected. The County Clerk receives 5 cents per tract of land for comparing and authenticating delinquent land lists. The audit reviewed the monthly distributions for the 10 months the former County Collector was in office. In 8 of the 10 months, the former County Collector issued a check to the County Clerk for this fee, and also distributed the same amount to the County Treasurer. It is unclear why the former County Collector did this. The County Collector does not account for the numerical sequence of receipt slips to ensure money received has been properly recorded and deposited. The Collector's computer system uses one receipt slip sequence for all receipt slips issued.
Tax Maintenance Fund Budget	The former County Collector did not request, and the County Commission did not prepare, budget amendments for the Tax Maintenance Fund (TMF) for the year ended December 31, 2023. The TMF was overspent by \$11,428, or 28 percent of budgeted disbursements.

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

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Ste. Genevieve County Collector and Property Tax System

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
County Collector
Ste. Genevieve County, Missouri

We have audited the County Collector and Property Tax System of Ste. Genevieve 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 December 11, 2023, a vacancy occurred in the office of the County Collector of Ste. Genevieve County. A successor was appointed and sworn into office effective December 14, 2023. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2023, through December 11, 2023. 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; 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 this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

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) no significant noncompliance with legal provisions. Compensation was in accordance with statutory provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Ste. Genevieve County.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive style with a large initial "S" and "F".

Scott Fitzpatrick
State Auditor

Ste. Genevieve County Collector and Property Tax System Management Advisory Report State Auditor's Findings

1. County Collector Controls and Procedures

Controls and procedures in the County Collector's office need improvement. The County Collector's office collected approximately \$74 million in property taxes and other receipts during the year ended February 29, 2024.

1.1 Distributions

The former County Collector distributed \$2,044 more in fees than collected. The County Clerk receives 5 cents per tract of land for comparing and authenticating delinquent land lists. We reviewed the monthly distributions for the 10 months the former County Collector was in office. In 8 of the 10 months, the former County Collector issued a check to the County Clerk for this fee, and also distributed the same amount to the County Treasurer. It is unclear why the former County Collector did this. Failure to implement adequate distribution procedures increases the risk that loss, theft, or misuse of money received will occur and go undetected.

1.2 Numerical sequence of receipt slips

The County Collector does not account for the numerical sequence of receipt slips to ensure money received has been properly recorded and deposited. The Collector's computer system uses one receipt slip sequence for all receipt slips issued. The County Collector's staff stated they were not aware of the importance of reviewing the sequence of receipt slip numbers. Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of money could occur and go undetected.

Recommendations

The County Collector:

- 1.1 Ensure monthly distributions are accurate.
- 1.2 Account for the numerical sequence of receipt slips.

Auditee's Response

1.1 *I am preparing to start training my staff on the monthly disbursement procedures to have another check and balance system in place to ensure distributions are accurate.*

1.2 *This has been implemented. Currently, both deputies have a batch open throughout the day. At the end of the day, they each close their respective batch and ensure they balance. One of the deputies will then close the batches together for "end of day" within the tax software system and prepare the deposit and final reports. Once the deputy finishes preparing the deposit, the other deputy will double check the deposit for accuracy and initial it. The deposit slip and the cash/checks are placed in the bank bag and turned over to the County Collector for deposit. The reports are also turned over to the County Collector, where at that time, I review the transaction listing and the voided transactions. The collections are entered into the Daily Deposit Log and into QuickBooks, which are used to balance daily*



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against a Monthly Register of Paid Taxes report with the tax software program.

The Collector's Office also has a carbonless Money Receipt Book, which is numbered. This receipt book is used for transactions when the tax software program is not available or for items the software does not produce a paper receipt slip for and/or the taxpayer is requesting a receipt slip, such as duplicate receipt slips, return check fees, etc.

2. Tax Maintenance Fund Budget

The former County Collector did not request, and the County Commission did not prepare, budget amendments for the Tax Maintenance Fund (TMF) for the year ended December 31, 2023. The TMF was overspent by \$11,428, or 28 percent of budgeted disbursements.

The TMF budget is prepared by the County Collector and submitted to the County Commission annually. While the County Commission approves the budget, it does not monitor the budget during the year because the County Collector maintains the fund in an account outside of the county treasury. The former County Collector's actual TMF disbursements exceeded the budgeted amounts throughout the year, but she did not request any budget amendments and none were prepared or approved by the County Commission prior to the budget being overspent. The former County Collector's TMF disbursements were for training, office furniture and equipment, and office supplies. The 2023 TMF budgeted and actual disbursements are presented below:

Category	Budgeted	Actual	(Over)/Under Budget
Salary Reimbursement to County	\$ 13,500	13,500	0
Office Supplies	3,000	6,554	(3,554)
Professional Services	1,000	60	940
Office Furniture, Computer Maintenance, and Equipment	5,000	11,259	(6,259)
Training and Mileage	9,500	13,772	(4,272)
Miscellaneous	2,000	7,283	(5,283)
Records Preservation	7,000	0	7,000
Total	\$ 41,000	52,428	(11,428)

Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable. Realistic projections of the county's uses of funds and fund balances are essential for the efficient management of finances and for communicating accurate financial data to county residents. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.



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Recommendations

The County Collector and County Commission monitor Tax Maintenance Fund disbursements to ensure actual disbursements do not exceed budgeted amounts, and prepare necessary budget amendments timely.

Auditee's Response

The County Collector provided the following response:

I met with the County Commission in the first quarter of 2024 to review the Tax Maintenance Fund. The 2024 budget for the fund is \$33,500. As of August 31, 2024, \$23,565, or 70 percent, of that budget has been spent. Please note that \$5,485 spent in 2024 were for expenses incurred in 2023.

I will monitor the Tax Maintenance Fund budget and if any amendments need to be made, a request will be submitted to the County Commission in a timely manner. Furthermore, a guideline will be set going forward, approved by the County Commission, to review the Tax Maintenance Fund on a selected schedule.

The County Commission provided the following response:

We will work with the County Collector on this issue.

Ste. Genevieve County Collector and Property Tax System Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. The county's population was 18,479 in 2020, according to the U.S. Census Bureau.

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).

Kim Gielow took office on March 1, 2023, and served as County Collector until December 11, 2023. Lisa Marschel was appointed the Ste. Genevieve County Collector and sworn into office on December 14, 2023.

The County Collector received compensation of \$53,018 for the period March 1, 2023, through December 11, 2023. This includes \$266 in commissions from levee district collections.