



Scott Fitzpatrick

Missouri State Auditor

Bates County

Report No. 2024-101

December 2024

auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Bates County

<p>Prosecuting Attorney's Controls and Procedures</p>	<p>The Prosecuting Attorney improperly holds unclaimed victim restitution to distribute to other victims whose restitution remains unpaid. As a result, the rightful victims or their heirs may not receive the money collected by the Prosecuting Attorney's office on their behalf. As of December 2023, the Prosecuting Attorney held at least \$2,000 in unclaimed restitution to disburse to victims other than those the court intended. The Prosecuting Attorney last improperly disbursed unclaimed court-ordered restitution to victims other than those intended totaling \$17,386, in June 2021. The Prosecuting Attorney assessed and collected fines totaling \$2,544 in lieu of court-ordered community service for 2 defendants between October 2021 and March 2022 without court approval. The Prosecuting Attorney does not perform adequate bank reconciliations and does not prepare a monthly list of liabilities for the fee account.</p>
<p>Administrative Handling Cost Fund</p>	<p>The Prosecuting Attorney maintains the Administrative Handling Cost Fund (AHCF) outside the county treasury. There is no statutory authority allowing the Prosecuting Attorney to maintain this account outside the county treasury. In addition, the Prosecuting Attorney has not prepared a budget for this fund and disbursements totaling \$3,369 made during the year ended December 31, 2023, were not made through the county's normal disbursement process.</p>
<p>Sheriff's Compensation</p>	<p>The County Commission authorized mid-term salary increases totaling \$12,336 to the Sheriff in violation of constitutional provisions.</p>
<p>Senate Bill 40 Board Budget Monitoring</p>	<p>The County Commission and the Senate Bill 40 Board do not adequately monitor the board's budget-to-actual receipts and disbursements and actual disbursements exceeded the board's budgeted disbursements by \$169,509 for the Senate Bill 40 Board Fund for the year ended December 31, 2023. The County Commission and the Board did not prepare a budget amendment for the excess disbursements. State law prohibits counties from spending more than budgeted and provides guidance on when budget amendments are allowable.</p>
<p>Recorder of Deeds' Controls and Procedures</p>	<p>The Recorder of Deeds does not prepare bank reconciliations or prepare monthly lists of liabilities, and does not maintain a check register or book balance. The December 31, 2023, bank balance was \$17,392. Of this, the audit identified a deposit in transit of \$237 and liabilities consisting of undisbursed December collections totaling \$10,958, resulting in \$6,671 in unidentified money in the account. The audit attributed \$6,627 of the unidentified balance to recording fees that should have been disbursed to the county Recorder User Fee Fund maintained by the County Collector-Treasurer.</p>
<p>Assessment Withholding</p>	<p>The County Clerk improperly calculated Assessment Fund withholdings, and as a result, the County Collector-Treasurer over withheld Assessment Fund commissions by \$14,566 and disbursed less funds to political subdivisions during the settlement year ended February 29, 2024.</p>

Sunshine Law	The County Commission did not always comply with the Sunshine Law for closed meetings and notices and agendas.
Senior Citizens' Services Boards Contracts	The Senior Citizens' Services Board has not entered into written contracts with the two entities it funds. The Board reviewed and approved documented proposals in compliance with the Senior Citizens' Services Board bylaws but did not require written contracts. State law requires contracts of political subdivisions to be in writing.
Electronic Communication Policy	The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.
Electronic Data Security	Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data. Employees in the County Assessor and Recorder of Deeds offices are not required to change passwords periodically. Additionally, one user account and password is shared between all employees in the County Assessor's office. Since passwords in certain offices do not have to be periodically changed and are allowed to be shared in the County Assessor's office, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Also, allowing users to share accounts and passwords reduces individual accountability for system activity and unauthorized system access could occur. The County Assessor, Recorder of Deeds, Public Administrator, and Collector-Treasurer do not have security controls in place to lock computers after a specified number of incorrect logon attempts.
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.

Bates County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Prosecuting Attorney's Controls and Procedures	4
	2. Administrative Handling Cost Fund.....	6
	3. Sheriff's Compensation.....	7
	4. Senate Bill 40 Board Budget Monitoring.....	8
	5. Recorder of Deeds' Controls and Procedures	9
	6. Assessment Withholding	10
	7. Sunshine Law	10
	8. Senior Citizens' Services Board Contracts	11
	9. Electronic Communication Policy.....	12
	10. Electronic Data Security.....	13

Organization and Statistical Information	15
---	----



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
Officeholders of Bates County

We have audited certain operations of Bates 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, 2023. 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.

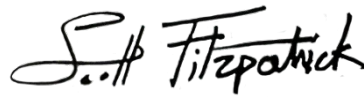
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. 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 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'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) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Bates County.

An audit of the Bates County Sheriff, fulfilling our obligations under Section 29.230, RSMo, is in progress, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick
State Auditor

Bates County

Management Advisory Report

State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney held victim restitution and collected money in lieu of community service with no legal authority. In addition, bank reconciliation controls and procedures need improvement. The office collected approximately \$94,000 in bad check and court-ordered restitution and related fees for the year ended December 31, 2023.

1.1 Unclaimed restitution

The Prosecuting Attorney improperly holds unclaimed victim restitution to distribute to other victims whose restitution remains unpaid. As a result, the rightful victims or their heirs may not receive the money collected by the Prosecuting Attorney's office on their behalf.

Prosecuting Attorney's office personnel indicated their procedure to follow up on outstanding checks for unclaimed restitution is to perform online searches to locate the victims. If these searches are unsuccessful, the unclaimed restitution is considered available to disburse to victims whose restitution has not been paid rather than remitting it to the Missouri State Treasurer's Unclaimed Property Division as required. The Prosecuting Attorney indicated he does this because it is unfair for this money to go to Unclaimed Property when there are victims in the county who would benefit from receiving court-ordered restitution.

As of December 2023, the Prosecuting Attorney held at least \$2,000 in unclaimed restitution to disburse to victims other than those the court intended. The Prosecuting Attorney last improperly disbursed unclaimed court-ordered restitution to victims other than those intended totaling \$17,386, in June 2021.

There is no legal authority for the Prosecuting Attorney to disburse unclaimed restitution to victims other than those ordered by the court. Section 447.532, RSMo, provides that any funds held by a political subdivision for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.

A similar condition has been noted in our prior audit reports issued since 1997.

1.2 Payments in lieu of community service

The Prosecuting Attorney assessed and collected fines totaling \$2,544 in lieu of court-ordered community service for 2 defendants between October 2021 and March 2022 without court approval.

The Prosecuting Attorney's office indicated the Missouri Department of Corrections, Division of Probation and Parole ("division") approved the sentence modifications; however, division personnel indicated they agreed to the modifications because they assumed the Prosecuting Attorney had court approval. They did not verify the modifications with the court. The Presiding Judge indicated he was unaware of the sentence modifications, and agreed the



Bates County
Management Advisory Report - State Auditor's Findings

Prosecuting Attorney did not have the authority to collect the payments in lieu of community service.

There is no authority for the Prosecuting Attorney to assess and collect fines in lieu of court-ordered community service. In addition, the Missouri Constitution, Article IX, Section 7, states the proceeds of all penalties, forfeitures, and fines are to be distributed annually to the schools of the county.

1.3 Bank reconciliations and liabilities

The Prosecuting Attorney does not perform adequate bank reconciliations and does not prepare a monthly list of liabilities for the fee account. Office personnel did not remove voided checks totaling \$260 from the outstanding check list. As a result, the reconciled bank balance was understated by \$260. Office personnel could not explain why the voided checks were not removed from the outstanding check listing. In addition, office personnel could not identify liabilities totaling \$4,355 and could not explain why a list of liabilities is not prepared.

Performing adequate monthly bank reconciliations increases the likelihood errors will be identified and corrected timely. Regular comparison of liabilities to the available cash balance is necessary to ensure bank and book records agree, and cash is sufficient to meet liabilities.

A similar condition was noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 1.1 Disburse restitution in accordance with a court order and any unclaimed restitution should be disbursed to the Missouri State Treasurer's Unclaimed Property Division as required by state law.
- 1.2 Discontinue collecting fines in lieu of court-ordered community service or obtain court authorization prior to modifying sentences, and disburse fines as required by state law.
- 1.3 Prepare adequate monthly bank reconciliations and lists of liabilities and reconcile the list of liabilities to the available cash balance. Any differences should be promptly investigated and resolved.

Auditee's Response

- 1.1 *The Prosecuting Attorney's office will disburse restitution to the victim related to the court order and has started the process of turning the unclaimed restitution over to the State Treasurer's Unclaimed Property Fund.*
- 1.2 *The Prosecuting Attorney will get a court order for collecting fines in lieu of court-ordered community service in the future. The two*



Bates County
Management Advisory Report - State Auditor's Findings

payments in question were inadvertently credited as restitution. When this issue was raised by the auditors, the Prosecuting Attorney removed the funds from the restitution account and paid these two funds to the Bates County Common School Interest Fund.

1.3 The Prosecuting Attorney's office is implementing the recommendations on bank reconciliations.

2. Administrative Handling Cost Fund

The Prosecuting Attorney maintains the Administrative Handling Cost Fund (AHCF) outside the county treasury. In addition, the Prosecuting Attorney has not prepared a budget for this fund and disbursements totaling \$3,369 made during the year ended December 31, 2023, were not made through the county's normal disbursement process. Fees and interest totaling \$3,840 were received during the year ended December 31, 2023, and at December 31, 2023, the balance of the AHCF was \$1,331.

The Prosecuting Attorney collects an administrative handling fee of \$25 to \$75 from individuals who have passed a bad check, or when the Prosecuting Attorney collects restitution. These fees are paid into the AHCF to be used for additional administration and operation costs of the office. The Prosecuting Attorney indicated he maintains the AHCF outside the county treasury because he fears future county commissions with different political views may prevent him from expending money from this fund at his discretion.

There is no statutory authority allowing the Prosecuting Attorney to maintain this account outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the county treasurer. The budget process provides a means to allocate and monitor financial resources. Processing disbursements through the county's normal disbursement process provides a system of checks and balances. In addition, Section 559.100.3, RSMo, requires fees collected for court ordered restitution and bad checks be deposited by the county treasurer into a separate interest-bearing fund, titled the "Administrative Handling Cost Fund," to be expended by the prosecuting attorney.

A similar condition was noted in our prior audit report.

Recommendation

The Prosecuting Attorney transfer the balance of the AHCF bank account to the County Collector-Treasurer and close the account. In addition, the Prosecuting Attorney should work with the County Commission to adopt a budget for the AHCF and process disbursements from this fund through the county's normal disbursement process.

Auditee's Response

I am taking the recommendation under advisement.



3. Sheriff's Compensation

The County Commission authorized mid-term salary increases totaling \$12,336 to the Sheriff in violation of constitutional provisions. The Sheriff took office in 2021 at the salary level approved by the Bates County Salary Commission.

Section 57.317.1(2), RSMo, enacted in 2021, states the Sheriff shall receive an annual salary computed based on a percentage of the compensation of an associate circuit judge of the county, with the percentage determined by a statutory schedule using the county's current assessed valuation level. The law indicates if the increase to the Sheriff's salary is less than \$10,000, the increase shall take effect January 1, 2022, but if the salary increase is more than \$10,000, the increase shall be paid equally over a 5-year period. However, Article VII, Section 13, of the Missouri Constitution prohibits an increase in compensation for state, county, and municipal officers during the term of office. Court cases have concluded that to receive additional compensation during a term of office there must be: (1) no existing compensation for the office; (2) new or additional duties extrinsic or not germane to the office; or (3) the mid-term increase must result from the application of a statutory formula for calculating compensation that was in place prior to the individual being elected or taking office. None of those circumstances exist; therefore, the increase to the Sheriff's salary should be effective only for any Sheriff elected and sworn into office after the new salary schedule was authorized.

The County Commission indicated it believed it was required to increase the Sheriff's salary due to the change in state law. The County Commission did not seek a written legal opinion on these matters and authorized the full salary increase for the Sheriff. This authorization was documented in the County Commission meeting minutes. The County Commission authorized the initial salary increase in July 2022 and another in July 2023 after the associate circuit judge's salary increased. Neither of the increases was over \$10,000 in one year. As of July 2023, the Sheriff received salary increases totaling \$12,336 during his term.

Recommendation

The County Commission discontinue the mid-term salary increase and consider various methods for possible recoupment of money already paid.

Auditee's Response

Implementing the recommendation would result in a civil lawsuit being brought against the county by the Sheriff. Because a lawsuit would be costly to county taxpayers, we do not believe discontinuing the mid-term salary increases and recoupment of the money already paid is the best course of action for Bates County.

Auditor's Comment

"The compensation of state, county and municipal officers shall not be increased during the term of office . . ." per Missouri Constitution, Article VII, Section 13. The County Commission has not offered any authority to



conclude the constitutional barrier to mid-term compensation increases contained in Missouri Constitution, Article VII, Section 13 is inapplicable to county sheriffs. In multiple cases, the Supreme Court of Missouri has addressed the constitutional prohibition on mid-term increases. *See e.g., Mooney v. County of St. Louis*, 286 S.W.2d 763 (Mo. 1956); *State ex rel. George v. Verkamp*, 365 S.W.3d 598 (Mo. banc 2012); *Laclede County v. Douglass*, 43 S.W.3d 826 (Mo. 2001).

4. Senate Bill 40 Board Budget Monitoring

The County Commission and the Senate Bill 40 Board do not adequately monitor the board's budget-to-actual receipts and disbursements and actual disbursements exceeded the board's budgeted disbursements by \$169,509 for the Senate Bill 40 Board Fund for the year ended December 31, 2023. The County Commission and the Board did not prepare a budget amendment for the excess disbursements. Board officials indicated several unforeseen events occurred after the budget was approved causing the overspending. Since the cash balance was sufficient, they approved the additional disbursements. They were unaware they were required to amend the budget prior to spending amounts in excess of the budget. The County Commission was unaware it should monitor the activity of the Senate Bill 40 Board. However, the Senate Bill 40 Board Fund is a county fund and the budget is a component of the overall county budget and should be monitored as such.

Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable. Proper monitoring and budgets prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.

Recommendation

The County Commission and the Senate Bill 40 Board monitor the Board's disbursements to ensure they do not exceed budgeted amounts and prepare any necessary budget amendments timely.

Auditee's Response

The County Commission provided the following:

The County Commission met with the Senate Bill 40 Board and will start getting monthly reports of expenditures to review to ensure the Board does not exceed budgeted amounts.

The Senate Bill 40 Board provided the following:

We have put in place procedures as recommended to ensure that budget amendments are provided to the County Commission in a timely manner if and when necessary during the fiscal year. Although we did not amend the budget to cover the unforeseen additional expenses incurred in 2023, the Board had sufficient funds to cover the unexpected expenses.



5. Recorder of Deeds' Controls and Procedures

The Recorder of Deeds does not prepare bank reconciliations or prepare monthly lists of liabilities, and does not maintain a check register or book balance. The Recorder of Deeds indicated she relies on distribution reports to prepare the monthly disbursements and believes that because she disburses the total amount received each month, it is unnecessary to prepare bank reconciliations and maintain a check register. The office processed receipts for marriage licenses, deeds, and other miscellaneous fees, totaling approximately \$116,400 during the year ended December 31, 2023.

The December 31, 2023, bank balance was \$17,392. Of this, we identified a deposit in transit of \$237 and liabilities consisting of undisbursed December collections totaling \$10,958, resulting in \$6,671 in unidentified money in the account. The Recorder of Deeds originally indicated the money was from the period prior to switching computer systems, she did not have access to her prior system, and she could not determine the source of the unidentified money, so she left it in the bank account. Later, after further discussion, she provided documentation from her prior computer system showing \$6,627 of the unidentified balance is attributable to recording fees that should have been disbursed to the county Recorder User Fee Fund maintained by the County Collector-Treasurer.

Preparing a cumulative book balance, adequate monthly bank reconciliations, and monthly lists of liabilities helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular identification of liabilities and a comparison of liabilities to the reconciled bank balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and money is available to satisfy all liabilities. Section 447.532, RSMo, provides that any unclaimed funds held by a political subdivision for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.

Recommendation

The Recorder of Deeds ensure a cumulative book balance, adequate bank reconciliations, and monthly lists of liabilities are prepared and reconciled timely. Any discrepancies between accounting records and reconciliations should be promptly investigated and resolved. In addition, disburse fees in accordance with statute.

Auditee's Response

The recommendations to ensure a cumulative book balance, adequate bank reconciliations, and monthly lists of liabilities are prepared have been implemented. If any differences between accounting records and bank reconciliations are discovered in the future, they will be promptly investigated and resolved. The undisbursed fees will be disbursed to the Recorder's User Fee Fund on or before December 31, 2024.



6. Assessment Withholding

The County Clerk improperly calculated Assessment Fund withholdings, and as a result, the County Collector-Treasurer over withheld Assessment Fund commissions by \$14,566 and disbursed less funds to political subdivisions during the settlement year ended February 29, 2024. The County Collector-Treasurer withheld \$273,726 in Assessment Fund fees and commissions during the annual settlement period ended February 29, 2024.

The County Clerk uses taxes levied and the assessment withholding percentages of 1.45 percent and 1/4 percent in her calculations rather than taxes collected and 1 percent and 1/2 percent as required by state law. In addition, neither the County Clerk nor the Collector-Treasurer monitored and/or subsequently reduced the additional 1/2 percent withholding percentage to ensure additional Assessment Fund commissions were limited to \$75,000 as required. The County Clerk indicated she relied on the calculation template prepared by the previous officeholder to calculate the Assessment Fund commissions.

Section 137.720.1, RSMo, requires a one percent withholding on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the Assessment Fund of the county. Section 137.720.3, RSMo, requires an additional one-half percent commission. However, Section 137.720.3, RSMo, limits the one-half percent deduction to \$75,000. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

Recommendation

The County Collector-Treasurer work with the County Clerk to ensure Assessment Fund withholding calculations are correct and the assessment withholding percentage is properly reduced once the \$75,000 limit is reached. The County Collector-Treasurer should also recalculate all commissions and correct distributions to the various political subdivisions and the county Assessment Fund.

Auditee's Response

We agree with the auditor's finding and have updated the formulas used to calculate the Assessment Fund commissions to ensure withholdings are 1 percent, and 1/2 percent up to \$75,000 as required by state law. In addition, we will recalculate all commissions and correct distributions to the various political subdivisions and the county Assessment Fund for the year ended December 31, 2023.

7. Sunshine Law

The County Commission did not always comply with the Sunshine Law for closed meetings and notices and agendas. We identified the following concerns for the meetings held from January 2023 to June 2024:

- The County Clerk did not document in the open meeting minutes the specific reasons or sections of law allowing the meeting to be closed for



Bates County
Management Advisory Report - State Auditor's Findings

any of the 7 closed meetings held between January 1, 2023, and January 29, 2024. The County Clerk indicated she was not aware of this requirement. Citations were included for the 5 closed meetings held between January 30, 2024, and June 19, 2024, after we informed the County Clerk of the need for citations.

- The County Commission did not include sufficient detail in meeting notices and agendas to advise the public of matters to be considered. Notices and agendas generally only included information on scheduled meetings and approval of bills. Other matters such as review and approval of applications from local entities for American Rescue Plan Act funds were not listed. The County Clerk indicated the County Commission does not generally have a plan for the topics to be discussed at each meeting.

Section 610.022, RSMo, requires public bodies to announce the specific reasons allowed by law for going into a closed meeting and to enter the vote and reason into the minutes. This section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure. Section 610.020.1, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered.

Recommendation

The County Commission ensure specific reasons for closing a meeting are documented in the open minutes. In addition, ensure proper notification and agendas for public meetings are given and sufficiently detailed.

Auditee's Response

The County Clerk is making certain the specific reasons for closing a meeting are documented in the open minutes. The County Clerk gets calls from the public on short notice to meet with the commission. As a result, proper notification and inclusion of all topics to be discussed on agendas is not always possible. However, we will continue to make every effort to ensure all planned topics are included in notifications and agendas.

8. Senior Citizens' Services Board Contracts

The Senior Citizens' Services Board has not entered into written contracts with the two entities that it funds. The Board disbursed a total of \$174,193 during the year ended December 31, 2023. The Board reviewed and approved documented proposals in compliance with the Senior Citizens' Services Board bylaws but did not require written contracts. The Board bylaws do not include a provision requiring written contracts, and the Board indicated it was not aware this was necessary.

Section 432.070, RSMo, requires contracts of political subdivisions to be in writing. Written agreements are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.



Bates County
Management Advisory Report - State Auditor's Findings

Recommendation

The Senior Citizens' Services Board enter into written contracts defining services provided, benefits received, and the manner and amount of payments to be made as required by state law.

Auditee's Response

Moving forward we will have a more detailed, and formal written agreement with both the Kern Center and the Bates County Senior Center and any other future entity.

**9. Electronic
Communication
Policy**

The county has not developed a records management and retention policy that includes electronic communication in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

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. The guidelines for managing electronic communications records can be found on the Secretary of State's website.¹

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the county is retained as required by state law. The Commission indicated it was unaware of the record retention requirements and the electronic communications guidelines.

Recommendation

The County Commission work with the other county officials to develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

The County Commission will work on implementing an electronic communications policy that complies with state law and addresses the Secretary of State's guidelines.

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed June 28, 2024.



10. Electronic Data Security

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

10.1 User identification and passwords

The County Assessor and Recorder of Deeds 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. Additionally, one user account and password is shared between all employees in the County Assessor's office. The County Assessor indicated he did not understand the need for unique user accounts and passwords. In addition, the County Assessor and Recorder of Deeds indicated they did not understand periodically changing passwords was needed.

Unique user accounts and passwords are necessary to authenticate access to computers and identify activity performed by each individual. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices do not have to be periodically changed and are allowed to be shared in the County Assessor's office, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Also, allowing users to share accounts and passwords reduces individual accountability for system activity and unauthorized system access could occur. Passwords that are changed periodically and are not shared reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

10.2 Security controls

The County Assessor, Recorder of Deeds, Public Administrator, and Collector-Treasurer do not have security controls in place to lock computers after a specified number of incorrect logon attempts. The officials indicated they did not recognize the importance of having security controls in place.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid 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:

- 10.1 Ensure employees do not share user identifications and passwords, and require confidential passwords that are periodically changed to prevent unauthorized access to the county's computers and data.



Bates County
Management Advisory Report - State Auditor's Findings

10.2 Require county computers to have security controls in place to lock each computer after a specific number of incorrect logon attempts.

Auditee's Response

The County Commission has advised the other county officials to make certain employees do not share user identifications and passwords. In addition, the County Commission will address the password and security control recommendations with the county's IT provider.

Bates County

Organization and Statistical Information

Bates County is a township-organized, third-class county. The county seat is Butler. The county's population was 16,042 in 2020, according to the U.S. Census Bureau.

Bates 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. The townships maintain county roads. 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 93 full-time employees and 17 part-time employees on December 31, 2023.

County operations also include the Senior Citizens' Services Board, a Senate Bill 40 Board, and an Enhanced Enterprise Zone Board.

Elected Officials

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

Officeholder	2024	2023
Jim Wheatley, Presiding Commissioner	\$	49,072
Ken Mooney, Associate Commissioner		46,918
Trent Nelson, Associate Commissioner		46,918
Danyelle Baker, Recorder of Deeds		67,774
Jami Page, County Clerk (1)		68,330
Hugh C. Jenkins, Prosecuting Attorney		160,119
Chad Anderson Sheriff		86,918
Greg Mullinax, County Coroner		30,769
Brenda Doody, Public Administrator		62,365
Jimmy Platt, County Collector-Treasurer (2), year ended March 31,	98,171	
Carl Bettels, County Assessor, year ended August 31,		64,545
W. C. Bill Lethcho, County Surveyor (3)		35,875

- (1) Includes \$556 of commissions earned for preparing city property tax books.
- (2) Includes \$26,052 of commissions earned for collecting city property taxes.
- (3) Salary paid for serving as County Highway Engineer.