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Missouri State Auditor

Iron County Sheriff

Report No. 2025-007

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Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Iron County Sheriff

Missing Money

From December 31, 2020, through March 31, 2023, Sheriff's office personnel collected at least \$5,680 for cash bonds that was not deposited and is missing. Of the 263 bond forms written from December 31, 2020, to March 31, 2023, 136 forms indicated money was collected. During a review of these bonds, the audit identified 6 bond forms that indicated the Sheriff's office collected cash totaling \$5,680 that was not deposited into any Sheriff bank account and could not be traced to a disbursement to a court.

Accounting Controls and Procedures

A review of 263 bond forms issued from December 31, 2020, through March 31, 2023, found concerns with 94, including: bond money collected but never deposited; court case not identified for collected bond money; illegible, incomplete, and missing bond forms; a bond disbursed before the bond money was collected; and a bond disbursement rejected by the bank because the Sheriff's office bank account did not have sufficient funds. During the audit period, 24 bonds, totaling \$19,501, were not disbursed to the circuit court for more than 30 days, with some money held for almost a year. The former Sheriff did not segregate accounting duties and did not perform adequate supervisory reviews of detailed accounting and bank records. The Sheriff's office did not establish adequate controls for monitoring bank account use causing both the Bond account and the Revolving Fund account to be overdrawn multiple times. During the audit period, the Bond and Revolving Fund accounts had balances as low as negative \$701 and negative \$14,448, respectively. The overdrawn accounts resulted in the county paying overdraft fees totaling \$238. The Sheriff's office procedures for receipting, recording, and depositing money need improvement.

The former Sheriff did not establish appropriate disbursement controls and written procedures, which allowed inappropriate purchases to go undetected. The audit noted 9 improper purchases, totaling \$4,954, with office credit cards and 2 improper cash withdrawals from the Donations account, totaling \$308. The Sheriff's office did not establish appropriate controls and written procedures for the use of office credit cards. A review of credit card purchases from the period January 1, 2021, through March 31, 2023, found 80 purchases totaling \$18,634 that did not have receipt slips submitted to the county. Because of this, the County Clerk's office refused to pay credit card bills for the Sheriff's office until they received the required supporting documentation. This led to accumulating balances and late fees and eventually the cancellation of some cards by the issuing bank. From January 2021 through March 2023, the county paid \$145 in late fees and \$680 in finance charges as a result of late or incomplete payments on the Sheriff's credit card bills. Because the Sheriff's office did not have proper controls in place for purchases, the Sheriff's office exceeded initial 2022 General Revenue Fund budgeted amounts for the Sheriff's office and jail by \$10,843 and \$41,364, respectively.

The Sheriff's office did not solicit bids when required. The county paid approximately \$50,000 for inmate meals in 2021 and approximately \$49,000 for inmate meals in 2022 without soliciting bids. This was an increase of approximately \$29,000 per year from 2020 under the prior Sheriff.

The Sheriff's office does not maintain documentation for civil paper service requests. Sheriff's office personnel did not have controls and procedures in place to ensure all costs for boarding prisoners were billed to the prisoner or applicable government entities upon release and lack adequate controls and procedures to track and account for fuel purchases. Fuel purchases for the Sheriff's fleet increased from 10,987 gallons in 2020 to 17,274 gallons in 2021 and 18,061 gallons in 2022 (a yearly increase of approximately 57 percent and 5 percent, respectively) and there was no significant change in the departmental fleet size and composition.

The Sheriff's office maintains a bank account outside the county treasury. The Sheriff's office did not establish controls and procedures to ensure the money donated was adequately tracked or used for its intended purposes. The Donations account was opened in June 2021 to fund a K-9 unit. There was no support for any of the deposits into the account to show who donated or for what purpose. Also, all funds withdrawn from the account were in cash or by debit card with no indication of what was purchased or why.

Seized Property	Sheriff's office personnel do not maintain a complete and accurate seized property inventory listing and did not ensure items in the seized property room were properly secured. The State Auditor's Office haphazardly selected 10 items from the seized property evidence listing to trace to the physical seized property items and 5 items from seized property to trace to the seized property evidence listing. Auditors could not physically locate 3 items from the evidence listing (a 9 mm handgun with holster and live rounds, two pipes with one gram of marijuana, and a 22 Magnum revolver) in the seized property room. They also found 3 items (a large rock, a samurai sword, and a rifle) in the seized property room that were not included on the seized property evidence listing. Auditors also noted items in the property room were not properly secured, with many loose items in the room not labeled, improperly placed with existing cases, or in unsealed envelopes. These items included firearms, plants resembling marijuana, ammunition, and electronics.
Payroll Controls and Procedures	The Sheriff does not ensure timesheet calculations or vacation and sick leave balances are accurate and does not ensure all timesheets are reviewed and signed by the employee, the employee's supervisor, and the Sheriff. Timesheets also did not always follow established written personnel policies. Time was noted on several occasions where the approval date preceded the date worked. Sheriff's office personnel also did not adequately maintain time records or compare them to the totals from the County Clerk's office.
Grant Requests	The former Sheriff did not timely submit the grant application for the Deputy Sheriff Salary Supplementation Fund grant for state fiscal year 2022 resulting in lost revenue to the county. The County Clerk indicated the County Commission used the General Revenue Fund to supplement the lost grant money and maintain deputy salaries at the previous amount. This was an unexpected expense for the county. The county reapplied for the grant and it was awarded for the state fiscal year 2023 (July 2022 through June 2023).
Equipment	The Sheriff's office does not maintain an inventory of equipment. As a result, the Sheriff cannot conduct a periodic physical inventory of equipment.

Sales Tax

The Sheriff's office did not charge the correct sales tax on e-cigarettes sold to inmates, and did not remit any sales taxes collected to the Missouri Department of Revenue as required by state law. Jail personnel collected sales tax on all sales, however, they did not include the 2 percent Ironton city sales tax in their tax calculations. Using the correct sales tax rate of 9.225 percent, the Sheriff's office should have collected and remitted \$381 during January, February, and March 2023. Instead, the Sheriff's office collected only \$320 in sales tax for those months.

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

*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.

Iron County Sheriff

Table of Contents

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

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Missing Money	5
2. Accounting Controls and Procedures	6
3. Seized Property.....	16
4. Payroll Controls and Procedures	17
5. Grant Requests	19
6. Equipment	19
7. Sales Tax	20

Appendixes	
A State Auditor Subpoena - Macie Yount.....	21
B State Auditor Subpoena - First State Community Bank.....	23



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
Iron County, Missouri

We have audited certain operations of the Iron County Sheriff in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, January 1, 2021, through March 31, 2023. The objectives of our audit were to:


1. Evaluate the Sheriff's internal controls over significant management and financial functions.
2. Evaluate the Sheriff's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of money and assets misappropriated and/or missing from the Sheriff's office.

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.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing money totaling at least \$5,680. The accompanying Management Advisory Report presents our findings arising from our audit of the Iron County Sheriff.

We previously issued a report for the county: *Iron County*, report number 2024-028, in April 2024.

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

Iron County Sheriff

Introduction

Background

The Sheriff is the chief law enforcement officer of the county. The Sheriff's duties are defined in state law, and include patrol of county highways, housing prisoners, transporting prisoners to state penitentiaries, and serving various legal papers and processes. The Sheriff's office collects money for various fees, bonds, and other miscellaneous receipts.

Jeffery Burkett was elected Iron County Sheriff in November 2020, and served in this capacity until his arrest in March 2023.¹ While removed from active duty after his arrest, former Sheriff Burkett did not resign from office until January 31, 2024, and continued to be paid during that time period. In accordance with Section 58.200, RSMo, which states the County Coroner is to perform the duties of sheriff when the office is vacant, Iron County Coroner Tim Harbison temporarily performed the duties of the Sheriff from March 2023 through February 2024 when a new sheriff was officially appointed by the County Commission. The County hired Greg Hitchings as Deputy Consultant on March 21, 2023, to oversee the day-to-day operations of the Sheriff's office. Prior to Hitchings stepping down from this position on August 25, 2023, the County hired Chuck Helton as Deputy Consultant on August 14, 2023. On February 8, 2024, the County Commission passed a resolution to appoint Helton as the acting Sheriff until the special election on April 2, 2024.

Former Sheriff Burkett received a salary of \$54,984 during the year ended December 31, 2022, and a salary of \$62,997 during the year ended December 31, 2023. In addition to the Sheriff, the office employed approximately 30 full-time employees on December 31, 2022.

As part of our work, we issued a subpoena (see Appendix A) to compel the Sheriff's former Administrative Assistant to provide testimony and produce records and documents related to operations of the Sheriff's office during her employment. Despite the assistance of law enforcement, we could not locate her to serve the subpoena or interview. We were instead able to obtain the necessary records and documents concerning the operations of the office from current officials. We also issued a subpoena (see Appendix B) to the county's bank for records related to the Sheriff's bank accounts.²

¹ Former Sheriff Burkett's criminal charges included participating knowingly in criminal street gang activities, tampering or attempting to tamper with a victim in a felony prosecution, attempted kidnapping - 3rd degree, stalking - 1st and 2nd degree, obtaining criminal history record information under false pretense, disclosure of confidential criminal records, misusing "911," and making a false report. Former Sheriff Burkett pleaded guilty to felony of tampering with a victim on July 22, 2024; as a result he received a suspended imposition of sentence of 5 years supervised probation and was ordered to surrender his Peace Officer Standards and Training license.

² The subpoena was issued for all possible account numbers that the county could provide; however, the bank provided records for the 3 accounts with activity that were open during the period requested.

Iron County Sheriff Management Advisory Report State Auditor's Findings

1. Missing Money

From December 31, 2020, through March 31, 2023, Sheriff's office personnel collected at least \$5,680 for cash bonds that was not deposited and is missing. During this period, the Sheriff's office collected approximately \$223,000 total in cash bonds.

When Sheriff's office personnel accept a cash bond, they complete and sign an unnumbered bond form that includes the defendant's name, case number, case information, amount paid, the name of the person posting the bond, and other information important to the case. There are 3 copies of the bond form: 1 is given to the defendant, 1 is given to the court, and the last is maintained by the Sheriff's office. The administrative assistant then deposits the cash bond into the Bond bank account. The administrative assistant later writes a check to the appropriate court and transmits the check to the court.

Of the 263 bond forms written from December 31, 2020, to March 31, 2023, 136 forms indicated money was collected. During our review of these bonds, we identified 6 bond forms that indicated the Sheriff's office collected cash totaling \$5,680 that was not deposited into any Sheriff bank account and could not be traced to a disbursement to a court. The following table includes the details for the missing money.

Court Case Number	Bond Date	Bond Amount	Disbursement Date
18-0137	04/29/2022	\$ 250.00	Unknown
22IR-CR00312	10/07/2022	1,000.00	Unknown
191001895	12/07/2022	109.50	Unknown
22IR-CR00305	02/20/2023	1,000.00	Unknown
22IR-CR00102	11/03/2023	2,000.00	Unknown
23IR-CR00031	03/06/2023	1,320.00	Unknown
Total		\$5,679.50	

Due to office turnover, it is unclear which employees had access to the money after it was collected. The lack of oversight in the Sheriff's office, as discussed in MAR finding number 2, resulted in the missing receipts going undetected.

Recommendation

The County Commission work with law enforcement regarding the missing money and take the necessary actions to seek restitution for the amounts missing.

Auditee's Response

The Iron County Commission has been working with law enforcement and will take the necessary steps to recover the missing funds totaling \$5,679.50.



2. Accounting Controls and Procedures

Accounting controls and procedures in the Sheriff's office need significant improvement.

2.1 Bonds

The Sheriff did not establish appropriate controls or oversight over bond money. We reviewed 263 bond forms issued from December 31, 2020, through March 31, 2023, and noted the following concerns on 94 bonds:

- Bond money collected but never deposited
- The court case was not identified for collected bond money
- Illegible, incomplete, and missing bond forms
- A bond disbursed before the bond money was collected
- A bond disbursement rejected by the bank because the Sheriff's office bank account did not have sufficient funds

As a result of these issues, money collected for cash bonds cannot be properly identified and accounted for. Adequate controls for bonds help prevent the collected cash from loss, theft, and misuse and may have detected the missing money noted in MAR finding number 1.

Bond disbursement

The Sheriff's office did not disburse all bond money collected timely. During the audit period, we noted 24 bonds, totaling \$19,501, that were not disbursed to the circuit court for more than 30 days, with some money held for almost a year. Missouri Supreme Court Rule 33.11 requires all bonds taken by the sheriff be disbursed to the clerk of the court in which the person is required to appear. Additionally, timely and proper disbursement of bond money is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

Prenumbered bond forms

The Sheriff's office did not use prenumbered bond forms and the majority of the bond forms could not be traced to a prenumbered receipt slip, making it impossible to account for all bond money collected by the office. Failure to use prenumbered bond forms and receipt slips, account for the numerical sequence of the documents, and reconcile the amounts on the documents to the amounts deposited increased the risk that loss, theft, or misuse of money received could occur and go undetected, and resulted in the county having no way to track cash bonds collected and disbursed.

2.2 Segregation of duties

The former Sheriff did not segregate accounting duties and did not perform adequate supervisory reviews of detailed accounting and bank records. The former Administrative Assistant was responsible for receipting, recording, and depositing money; making disbursements; reconciling bank accounts; billing; and receiving and transmitting payments collected. There is no documentation indicating the former Sheriff reviewed accounting records to



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

ensure amounts received were properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating duties of receiving, recording, and depositing receipts; making disbursements; reconciling bank accounts; billing; and receiving and transmitting payments collected. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential, including comparing daily receipts to deposits.

2.3 Bank accounts

Sheriff's office personnel did not sufficiently monitor bank account balances or reconcile the bank accounts. The Sheriff's office has 3 bank accounts: the Revolving Fund account (used for all receipts except cash bonds and donations); the Bond account (used for cash bonds); and the Donations account (used to start and fund a K-9 unit).

The Sheriff's office did not establish adequate controls for monitoring bank account use causing both the Bond account and the Revolving Fund account to be overdrawn multiple times. During our audit period, the Bond and Revolving Fund accounts had balances as low as negative \$701 and negative \$14,448, respectively. The overdrawn accounts resulted in the county paying overdraft fees totaling \$238. Sheriff's office personnel also do not prepare bank reconciliations for any of the accounts. In addition, they do not prepare a monthly list of liabilities to reconcile to account balances. Failure to regularly reconcile accounts and liabilities to the cash balances resulted in unidentified errors and overdrawn accounts.

Controls and procedures, such as performing adequate monthly bank reconciliations, help ensure accurate records are kept and increases the likelihood errors will be identified and overdrawn accounts and overdraft fees avoided. Monthly lists of liabilities that are reconciled to the available cash balance are necessary to ensure there is sufficient cash to pay amounts due and to identify all money in the bank. Prompt follow up on discrepancies is necessary to resolve errors.

2.4 Receipting, recording, and depositing

Sheriff's office procedures for receipting, recording, and depositing money need improvement.

- Receipts are not recorded in chronological order, entire pages of a receipt slip book are missing, receipt slip numbers are skipped, receipt slips are illegible, multiple receipt books are used concurrently, and blank receipt slips are not properly secured. During our April 20, 2023, cash count, we noted 41 unreceipted checks, with the oldest dated January 10, 2023. Sheriff's office staff later found 3 additional unrecorded receipts in the



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

former Administrative Assistant's desk drawer totaling \$85 that dated back to October 2022.

- The Sheriff's office did not retain records for all transactions and could not provide certain records upon request. For example, office personnel could not locate a receipt book for drug test money collected.
- The Sheriff's office did not receipt inmate money collected. No comprehensive list of inmate balances was maintained and the amount collected and returned is unknown. As a result, the Sheriff's office cannot ensure that all money was properly returned to inmates upon release.
- Checks and money orders were not restrictively endorsed upon receipt. During our April 20, 2023, cash count, there were 41 unendorsed checks.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of money will occur and increases the likelihood that errors will go undetected. 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. Record retention schedules can be found on the Secretary of State's website.

2.5 Improper and questionable purchases

Sheriff's office employees made improper and questionable purchases and cash withdrawals. The former Sheriff did not establish appropriate disbursement controls and written procedures allowing the inappropriate purchases to go undetected. We noted 9 improper purchases, totaling \$4,954, with office credit cards and 2 improper cash withdrawals from the Donations account, totaling \$308. The disbursements are considered improper because they are either unsupported, were non-fuel purchases made with a fuel card, or the timing indicates more than one vehicle was fueled with the same fuel card.



Iron County
 Sheriff
 Management Advisory Report - State Auditor's Findings

Date	Amount	Vendor	Store Type	Purchase Summary	Comments
03/06/2021	\$ 45.01	Steve & Garretts Gas & Liquor Pilot Knob Mo	Fuel	Fuel	Fuel bought on the same card 25 minutes prior
03/06/2021	41.50	Casey's #3086 Ironton	Fuel	Fuel	Fuel bought on the same card 25 minutes after
04/05/2021	30.00	PayPal	Unknown	Unknown	No documentation to support purchase
04/23/2021	2,026.96	Assembled Products	Auto	Vehicle Parts	No receipt or other documentation
05/14/2021	687.50	Custom Auto	Other	Tow bill	Bill to recover a towed vehicle in another county that was not related to any Sheriff's office case
07/12/2021	1,945.02	Assembled Products	Auto	Vehicle Parts	No receipt or other documentation
10/22/2021	205.00	Cash Withdrawal	Unknown	Unknown	Sheriff's office could not identify person or reason for withdrawal
02/18/2022	103.00	Cash Withdrawal	Unknown	Unknown	Sheriff's office could not identify person or reason for withdrawal
09/27/2022	109.96	Unknown	Unknown	Dog food	K-9 purchases not from Donations account
10/04/2022	\$14.82	Dollar General	Grocery	Cleaning supplies, food	Purchased with a fuel card
10/24/2022	52.97	Cherokee Pass Mobile	Fuel	Fuel	Fuel purchased outside of county with no explanation
Total	\$ 5,261.74				

We also noted questionable purchases made with the Sheriff's office's credit card related to the K-9 unit, including dog food and veterinary bills. The County Commission did not approve a K-9 unit and was not notified that the Sheriff's office was starting a K-9 unit. This unapproved action resulted in expenses related to maintaining the unit, including liability insurance, that were not included in the county budget.

The former Sheriff had a fiduciary duty to ensure county funds were spent in a prudent and necessary manner. Adequate oversight of purchases, including credit card purchases, is necessary to ensure purchases are appropriate.



2.6 Credit card controls

The Sheriff's office did not establish appropriate controls and written procedures for the use of office credit cards. Credit card holders in the Sheriff's office did not submit credit card receipt slips, so they could not be submitted to the County Clerk with the monthly statement as required by county policy. During our review of credit card purchases from the period January 1, 2021, through March 31, 2023, we noted 80 purchases totaling \$18,634 that did not have receipt slips submitted to the county. Because of this, the County Clerk's office refused to pay credit card bills for the Sheriff's office until they received the required supporting documentation. This led to accumulating balances and late fees and eventually the cancellation of some cards by the issuing bank on the following dates.

- Former Sheriff Burkett's card was closed in August 2022
- Former Deputy Cozad's card was closed in July 2021
- Former Deputy Myer's card was closed in May 2021

From January 2021 through March 2023, the county paid \$145 in late fees and \$680 in finance charges as a result of late or incomplete payments on the Sheriff's credit card bills.

Credit card purchases are inherently more risky than other purchases because these purchases are or can be made prior to receiving proper approval. That risk and the potential for fraud or misuse increases even more when internal controls and proper procedures are lacking. Credit card policies and procedures are necessary to ensure all credit card purchases are appropriate and in compliance with county purchasing policies, and to reduce the risk of unauthorized purchases.

2.7 Disbursement procedures

Sheriff's office disbursement procedures need improvement. We noted the following issues:

- The office did not maintain records of disbursements out of the Donations account so there is nothing to support that these disbursements are appropriate.
- The Sheriff's former Administrative Assistant did not ensure all bills were paid timely. During the audit, the Jail Administrator found multiple unpaid invoices, totaling \$1,104, in the desk of the former Administrative Assistant. We also noted invoices were not marked paid to prevent duplicate payments.
- The Sheriff's office does not issue checks in numerical sequence and does not maintain a record of all checks issued. Our review of deposit support for the period from January 2021 through March 2023 noted 117 checks from the Bond account and 31 checks from the Revolving Fund account that were not recorded in the check registers and did not clear the bank or



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

appear on bank statements. The Sheriff's office kept no record of what these checks were written for and did not retain mutilated copies of voided checks.

- The Sheriff's office did not always disburse money timely as required by state law. During the year ended December 31, 2022, the Sheriff's office collected \$29,661 in civil and criminal process fees. We reviewed the transmittals from June and July 2022 and noted the office collected civil and criminal process fees totaling \$621. These fees were not disbursed to the County Treasurer until August 23, 2022, up to 83 days after receipt. The office failed to maintain accurate documentation of money received, leading to issues with disbursements to the County Treasurer.

Because the Sheriff's office did not have proper controls in place for purchases, the Sheriff's office exceeded initial 2022 General Revenue Fund budgeted amounts for the Sheriff's office and jail. The County Commission initially budgeted \$457,698 for the Sheriff's office in the 2022 General Revenue Fund budget and the office spent \$468,541, \$10,843 more than budgeted. The County Commission initially budgeted \$241,034 for the jail in the 2022 General Revenue Fund budget and the Sheriff's office spent \$282,398, \$41,364 more than budgeted. The County Commission amended the General Revenue Fund budget on December 30, 2022, to cover the excess spending, but did not approve the overages prior to the spending.

Failure to implement adequate disbursing procedures increases the risk that loss, theft, or misuse of funds will occur and go undetected. Establishing procedures to ensure bills are paid timely would help prevent unnecessary fees and other charges. Issuing checks in numerical sequence and accounting for the numerical sequence of checks issued would help account for all disbursements and reduce the risk of unauthorized transactions. Retaining and mutilating voided checks ensures that these checks cannot be altered and misappropriated.

Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such money monthly to the County Treasurer. Additionally, pursuant to Section 50.380, RSMo, the Sheriff may be subject to penalties for failure to timely disburse receipts. Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable. Properly monitoring and amending budgets prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.

2.8 Procurement issues

The Sheriff's office did not solicit bids when required. The county paid approximately \$50,000 for inmate meals in 2021 and approximately \$49,000 for inmate meals in 2022 without soliciting bids. Prior to the former Sheriff



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

taking office, the Sheriff's office paid approximately \$21,000 in 2020, meaning food costs increased by approximately \$29,000 over the 3-year period of the former Sheriff's administration. Current employees cannot explain why the jail food costs increased during this time period. In addition, the Sheriff's office entered into at least 3 additional contracts for various equipment and services, totaling over \$94,000, that were not bid or approved by the County Commission.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to obtain the best and lowest price and all interested parties were given an equal opportunity to participate in county business. Retaining documentation of the various proposals received, the selection process, and criteria demonstrates compliance with applicable laws or regulations and supports decisions made.

2.9 Civil paper service

The Sheriff's office does not maintain documentation for civil paper service requests. The Sheriff's office was not able to provide documentation for civil paper service requests from January 1, 2021, through March 16, 2023, meaning the Sheriff's office could not ensure papers were served; or fees were refunded to the payer, disbursed to the county treasurer, or disposed of as otherwise provided by state law. The only documentation related to civil paper service requests available were unrecorded or unprocessed requests from the former Administrative Assistant's desk and money that was turned over to the County Treasurer during monthly disbursements. Procedures to routinely follow up on civil paper service requests and fees are necessary to ensure papers are served and fees distributed.

2.10 Board bills

Sheriff's office personnel did not have controls and procedures in place to ensure all costs for boarding prisoners were billed to the prisoner or applicable government entities upon release and collection for unpaid amounts pursued. No bills were sent out or collected from January 2021 through March 2023. The Sheriff's office had a record of board bills that should have been billed during this time; however, the Jail Administrator indicated these records were created in January 2023, well after the inmates' release. There were also board bills sent to the Missouri Department of Corrections (DOC) in 2022, but DOC personnel indicated they had not received any billings since. The board bills included in the 2022 payment were from 2020 or earlier, indicating the county has not billed the DOC for inmates housed after 2020.

Billing for boarding prisoners is necessary to ensure the costs of housing prisoners does not rest solely on the county. Monitoring unpaid board bills and taking appropriate follow-up action helps ensure payments are received.

2.11 Fuel use

The Sheriff's office lacks adequate controls and procedures to track and account for fuel purchases and fuel purchases increased significantly after the



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

former Sheriff took office. Fuel mileage calculations were included on the vendor statement for some vehicles, but others did not have average mile per gallon calculations and no additional documentation, mileage logs, or reconciliations were maintained by the Sheriff's office to verify fuel purchases were appropriate.

Fuel purchases for the Sheriff's fleet increased from 10,987 gallons in 2020 to 17,274 gallons in 2021 and 18,061 gallons in 2022 (yearly increases of approximately 57 percent and 5 percent, respectively) and there was no significant change in the departmental fleet size or composition. The Sheriff's office was able to provide a record of the mileage from each fuel card; however, since fuel cards were shared across employees and vehicles, there was no accurate record of how many miles were driven by each vehicle. Due to the turnover in the Sheriff's office, the remaining employees cannot provide any explanation as to why the fuel use increased in 2021 and 2022.

Procedures for reviewing fuel purchases and reconciling the vendor statements of fuel purchased are necessary to ensure vehicles and equipment are properly used, prevent paying vendors for improper amounts and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected. Mileage and use logs are necessary to document the appropriate use of vehicles and to support fuel purchases.

2.12 Donations account

The Sheriff's office maintains a bank account outside the county treasury. The Sheriff's office did not establish controls and procedures to ensure the money donated was adequately tracked or used for its intended purposes. The Donations account was opened in June 2021 to fund a K-9 unit. There was no support for any of the deposits into the account to show who donated or for what purpose. Also, all funds withdrawn from the account were in cash or by debit card with no indication of what was purchased or why.

There is no statutory authority allowing the Sheriff 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 money to the County Treasurer. In addition, Attorney General's Opinion 45-1992 (April 23, 1992) states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

Similar conditions previously reported

A condition similar to section 2.2 was noted in our 3 prior audit reports, conditions similar to sections 2.3 and 2.10 were noted in our 2 prior audit reports, and conditions similar to sections 2.1 and 2.7 were noted in our prior audit report.

Recommendations

The Sheriff:



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

- 2.1 Establish adequate controls for the collection, processing, documentation, and disbursements of all bonds. Use prenumbered bond forms and/or issue prenumbered receipt slips immediately upon receipt. In addition, ensure all bond money is disbursed timely to the appropriate circuit court.
- 2.2 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 2.3 Ensure bank accounts are monitored, including preparing adequate monthly bank reconciliations using outstanding checks, deposits in transit, and other reconciling items. In addition, prepare a monthly list of liabilities and reconcile the listing to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 2.4 Establish controls for receipting, recording, and depositing money received, including immediately issuing prenumbered receipt slips for all money received, restrictively endorsing all checks and money orders at the time of receipt, and ensuring timely deposits.
- 2.5 Establish controls and procedures to ensure purchases are appropriate and approved as required.
- 2.6 Maintain and submit to the County Clerk supporting documentation for all credit card purchases to allow for timely review and payment.
- 2.7 Ensure all invoices are paid and receipts are disbursed to the Treasurer timely. Retain documentation of disbursements. Ensure checks are issued in numerical sequence and properly accounted for and voided checks are mutilated and retained. The Sheriff and County Commission should also ensure budgets are amended prior to spending in excess of the budget.
- 2.8 Ensure bids and proposals are solicited for all applicable purchases of goods and services in accordance with state law, and maintain adequate documentation of decisions made.
- 2.9 Develop procedures to document service of civil paper service requests to ensure they are carried out in a timely manner and the related fees are appropriately refunded to the payer, disbursed to the county, or disposed of as otherwise provided by state law.
- 2.10 Develop procedures to bill, monitor, and pursue collection of costs for boarding prisoners.



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

- 2.11 Require fuel logs be maintained for all vehicles. Document reconciliations of fuel logs to fuel purchases. Promptly investigate any significant discrepancies.
- 2.12 Turn all donations over to the County Treasurer and close the Donations account, ensure records of donations received are maintained, ensure all purchases are made through the county procurement and budget process, and maintain documentation of all purchases.

Auditee's Response

- 2.1 *The appropriate and acceptable accounting procedures have been re-established, including prenumbered bond forms and prenumbered receipt slips. All bond money is now being disbursed timely to the Circuit Court.*
- 2.2 *The Commission and Sheriff will be conducting and documenting periodic reviews of accounting practices to ensure the accuracy of the accounting records.*
- 2.3 *The Sheriff's Administrator will conduct monthly bank reconciliations and create a list of liabilities for the balances. The Sheriff shall review the bank accounts to ensure that all bank accounts have been reconciled. The Commission may request, at random, any account for review to ensure compliance.*
- 2.4 *The new Sheriff has implemented controls to ensure all received money is recorded, prenumbered receipts are issued, and checks and money orders are endorsed and deposited promptly.*
- 2.5 *The former Sheriff would not follow appropriate disbursement controls. The internal control policy established by the Commission is now being followed by the new Sheriff. The fuel credit cards are now being monitored by administration to ensure compliance with established Internal Control Policy. This policy was in place during the former Sheriff's time in office but he did not comply with the policy.*
- 2.6 *The former Sheriff would not submit credit card receipts for purchases. This resulted in late fees and cancellations of the credit cards. The new Sheriff is following the county policy now and purchases with credit cards are being processed in a timely manner.*
- 2.7 *The new Sheriff follows county policy for submitting invoices and ensures checks are issued in numerical order, checks are accounted for, and voided checks are managed properly. Also, receipts are now*



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

disbursed in a timely matter as required by law. The Commission and the Sheriff meet frequently to review compliance with the budget.

- 2.8 *The County Commission has an established procurement policy, but the former Sheriff would not comply with this policy. The policy has been reviewed with the new Sheriff and is being followed.*
- 2.9 *The new Sheriff has re-established the procedures for civil paper service as required by State Law. All paper services are being conducted promptly and collections have been forwarded to the County Treasurer.*
- 2.10 *Board bill procedures had been established but not followed by former Sheriff. These procedures have been re-established and are being followed by the new Sheriff.*
- 2.11 *The Sheriff will implement a fuel log policy for each vehicle assigned to the Sheriff's office and will review fuel logs monthly and investigate any significant discrepancies.*
- 2.12 *The Sheriff closed the Donation account and will establish procedures for all donations to the Sheriff's office, which will include turning them over to the County Treasurer. He will also follow the county policy for purchases, procurement, and budget process.*

3. Seized Property

Sheriff's office personnel do not maintain a complete and accurate seized property inventory listing and did not ensure items in the seized property room were properly secured.

The Evidence Officer did not know how to produce an inventory list from the seized property system until contacting the software company at our request. Because of this, the Sheriff could not conduct a physical inventory. As of our seized property test, performed on September 28, 2023, Sheriff's office personnel had not entered any new items into the evidence system since the former Sheriff's arrest in March 2023.

We haphazardly selected 10 items from the seized property evidence listing to trace to the physical seized property items and 5 items from seized property to trace to the seized property evidence listing. We could not physically locate 3 items from the evidence listing (a 9 mm handgun with holster and live rounds, two pipes with one gram of marijuana, and a 22 Magnum revolver) in the seized property room. We also found 3 items (a large rock, a samurai sword, and a rifle) in the seized property room that were not included on the seized property evidence listing.



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

We also reviewed the contents of the property room in general and noted items in the room were not properly secured, with many loose items in the room not labeled, improperly placed with existing cases, or in unsealed envelopes. These items included firearms, drugs, plants resembling marijuana, ammunition, and electronics. We also noted many items in the room were not labeled with case numbers, therefore there was no way to tell what cases the items corresponded with. There were also a number of items on the seized property list that had case numbers listed as "Unknown" and one property item was labeled "Unknown Contents" on a sealed brown bag. We also found an unsealed evidence bag that contained drugs and weapons collected as evidence. Due to inaccurate locations for the items on the evidence listing, it was unclear which items were supposed to be in this bag.

The issues in the seized property room occurred after the former Evidence Officer passed away in 2021. The former Sheriff did not implement any oversight procedures of seized property following the promotion of the current Evidence Officer to ensure that he was able to stay current on logging and maintaining evidence.

Considering the often sensitive nature of seized property, adequate internal controls, including the proper identification and storage of items, are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records and procedures include information such as description, current location, case number, date of seizure, and disposition of such property; and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly.

Recommendation

The Sheriff properly label and store seized property, maintain a complete and accurate seized property evidence listing, and ensure periodic physical inventories are conducted and reconciled to the seized property evidence listing. Any differences should be investigated and resolved.

Auditee's Response

When the Sheriff was arrested the Commission ordered that the evidence room be placed under the control of the acting Sheriff. All the seized property has been properly labelled and stored in the evidence room. An accurate inventory of seized property has been completed. The Sheriff will conduct periodic physical inventories of seized property.

4. Payroll Controls and Procedures

The Sheriff does not ensure timesheet calculations or vacation and sick leave balances are accurate and does not ensure all timesheets are reviewed and signed by the employee, the employee's supervisor, and the Sheriff. Timesheets also did not always follow established written personnel policies. Time was noted on several occasions where the approval date preceded the date worked. Sheriff's office personnel also did not adequately maintain time records or compare them to the totals from the County Clerk's office.



Iron County
Sheriff
Management Advisory Report - State Auditor's Findings

Per county policy, all Sheriff's office employees are responsible for completing and submitting a timesheet every month. The timesheet is to be reviewed by the Sheriff before sending to the County Clerk's office. The County Clerk's office uses the timesheets to enter employees' hours worked, vacation and sick leave, and compensatory time into the computerized payroll system.

We reviewed all 29 timesheets for Sheriff's office employees from May 2021 and noted one instance where the employee's signature on the timesheet did not match the signatures of other months. The county's current Personnel Policy Manual does not address individuals signing other's timesheets or timesheets submitted without approval.

We also haphazardly selected an employee's timesheet from October 2022 and noted they accrued 63 hours of compensatory time, which is more than the 60 hours per month allowed by county policy. Others worked unpaid hours at the direction of the Sheriff. Weaknesses in these procedures resulted in findings from a federal Department of Labor review and back pay totaling approximately \$43,000 owed by the county. Timesheets, although signed, often were also inaccurate and required correction by County Clerk's office employees.

Accurate time and leave records are necessary to ensure employees receive proper compensation and leave benefits, provide support for payroll transactions, and ensure all employees are treated equitably. Section 29 CFR 516.2(a) of the Fair Labor Standards Act (FLSA) requires employers to maintain accurate records of actual time worked by employees. In addition, reconciliations of leave and compensatory time records between the Sheriff's office and the County Clerk's office help verify that records are accurate and consistent with time sheets.

Unmonitored and unreviewed compensatory time balances that exceed policy limits create unaccounted for and potentially unfunded future liabilities for the county. Unpaid hours worked is a violation of the FLSA and may subject the county to penalty. Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated in accordance with FLSA requirements.

Recommendation

The Sheriff should ensure timesheets are accurate and controls are in place to ensure timesheets are properly signed and approved. The Sheriff should also ensure compensatory time balances are reconciled to County Clerk records and comply with county policy. The County Commission and County Clerk should ensure compliance with personnel policies, Fair Labor Standards Act requirements, and review and update the personnel policies as necessary.



Auditee's Response

While there were several violations by the former Sheriff regarding payroll and county policy, these issues have been addressed with the election of a new Sheriff. All county policies are now being followed, and no payroll discrepancies have been observed.

5. Grant Requests

The former Sheriff did not timely submit the grant application for the Deputy Sheriff Salary Supplementation Fund (DSSSF) grant for state fiscal year 2022 resulting in lost revenue to the county. The DSSSF grant provides funding for supplemental deputy salary payments. The County Commission indicated the Sheriff never submitted the state fiscal year 2022 paperwork to apply for the grant. Iron County received \$72,193 for the period from July 2020 through June 2021. The County Clerk indicated the County Commission used the General Revenue Fund to supplement the lost grant money and maintain deputy salaries at the previous amount. This was an unexpected expense for the county. The county reapplied for the grant and it was awarded for the state fiscal year 2023 (July 2022 through June 2023).

Recommendation

The Sheriff ensure grant applications are submitted timely.

Auditee's Response

The County Commission re-applied for the Deputy Sheriff Salary Supplementation Fund (DSSSF) grant and was re-instated. The new Sheriff has maintained compliance with the grant requirements and no further action is required.

6. Equipment

The Sheriff's office does not maintain an inventory of equipment. When asked to produce a list showing what equipment was on hand and what was assigned to deputies, the Chief Jailer stated no such list existed and one would need to be created. As a result, the Sheriff cannot conduct a periodic physical inventory of equipment.

Adequate equipment records and procedures are necessary to ensure effective internal controls and provide a basis for determining proper insurance coverage. Procedures to track equipment purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for equipment and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or his/her designee of each county department is responsible for performing annual inspections and inventories of county property used by his/her department.

Recommendation

The Sheriff maintain a list of all equipment owned by the Sheriff's office, including to whom the equipment is assigned as required by state law and conduct periodic physical inventories.



Auditee's Response

With the election of a new Sheriff a complete equipment inventory issued to Deputies has been created and periodic physical inventory of equipment conducted. No further action is required.

7. Sales Tax

The Sheriff's office did not charge the correct sales tax on e-cigarettes sold to inmates, and did not remit any sales taxes collected to the Missouri Department of Revenue (DOR) as required by state law. The office began selling e-cigarettes to inmates in January 2023. Jail personnel collected sales tax on all sales; however, they did not include the 2 percent Ironton city sales tax in their tax calculations. Using the correct sales tax rate of 9.225 percent, the Sheriff's office should have collected and remitted \$381 during January, February, and March 2023. Instead, the Sheriff's office collected only \$320 in sales tax for those months. According to the Chief Jailer, personnel did not remit sales tax due because the deputy in charge of tracking and remitting sales tax was laid off after the former Sheriff was arrested.

Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Obtaining DOR guidance to establish procedures for charging and collecting sales tax on commissary sales would help ensure sales taxes are properly handled and all future sales tax collections are remitted to the DOR.

Recommendation

The Sheriff ensure all sales tax collections are accurate, use the correct tax rate, and are remitted to the DOR.

Auditee's Response

With the election of a new Sheriff all sales tax collected on inmate commissary are being collected at the actual sales tax rate and disbursed to the Department of Revenue as required by state law. No further action is required.



Appendix A
Iron County Sheriff
State Auditor Subpoena - Macy Yount



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Information of a personal, privileged, or sensitive nature, and/or information that is not directly related to the information requested in the subpoena has been redacted.

SUBPOENA

To: **Macie Yount**
[Redacted]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representative(s), at the Iron County Courthouse, 250 S. Main St, Ironton, MO 63650, at **11:00am on June 27, 2024**, for purposes of providing testimony regarding the Iron County Sheriff.

Physical access to the records described in Exhibit A may be granted for State Auditor staff on or before the appearance date listed above. Alternatively, records may be shipped to the Missouri State Auditor to the attention of Samantha Brown at 301 W. High St., Room 880, Jefferson City, MO 65102, to be received no later than the appearance date listed above.

ISSUED this 12th day of June 2024, pursuant to Section 29.235.4(1), RSMo.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by email on this ___ day of June, 2024.



Appendix A
Iron County Sheriff
State Auditor Subpoena - Macy Yount

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

Any and all documents or other records pertaining or belonging to the Iron County Sheriff for the time period of January 2021 to March 2023.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.



Appendix B
Iron County Sheriff
State Auditor Subpoena - First State Community Bank



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

June 5, 2023

First State Community Bank
Attn: Item Processing

[Redacted]
[Redacted]

RE: Subpoena from Missouri State Auditor

To Whom It May Concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for accounts for which the numbers may be unknown. We have provided some details that may help identify the accounts. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at (Leslie.Korte@auditor.mo.gov).

Sincerely,

Leslie Korte
General Counsel
State Auditor of Missouri

Information of a personal, privileged, or sensitive nature, and/or information that is not directly related to the information requested in the subpoena has been redacted.



Appendix B
Iron County Sheriff
State Auditor Subpoena - First State Community Bank



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: First State Community Bank
Attn: Item Processing

[REDACTED]
[REDACTED]
[REDACTED]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representative at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City MO, 65102, at 10:00 a.m. on June 20, 2023, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may email the records listed in Exhibit A to Lori Melton at lori.melton@auditor.mo.gov and copy Marian Rader at marian.rader@auditor.mo.gov.

ISSUED this 5th day of June, 2023, pursuant to Section 29.235.4(1), RSMo.

Scott Fitzpatrick
Missouri State Auditor

*Served on June 6th, 2023 to Catic Teal, Branch Manager
by Marian Rader, Senior Auditor. Marian Rader*



Appendix B
Iron County Sheriff
State Auditor Subpoena - First State Community Bank



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all logged data for all Iron County Sheriff's Office bank accounts including, but not limited to: bank account numbers, names, and signature cards with the First State Community Bank from January 2021 through March 2023, bank backup on all accounts from January 2021 through March 2023 (to include account statements, deposit supporting documentation, and canceled checks, including fronts and backs of both checks contained in deposits and canceled checks) including, but not limited to, the accounts listed below:

Sheriffs Revolving - Acct # [REDACTED]

Bail Bonds/Sheriff's Office - Acct # [REDACTED]

Sheriff Civil - Acct # [REDACTED] or [REDACTED]

Sheriff Donations - Acct # [REDACTED]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.