



Scott Fitzpatrick

Missouri State Auditor

Newton County Collector and
Property Tax System

Report No. 2026-052

June 2026

auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Newton County Collector and Property Tax System

Property Tax System Controls and Procedures The County Clerk, County Auditor, and County Commission did not adequately review the financial activities of the County Collector's office. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. In addition, the County Clerk, County Auditor, and County Commission did not perform procedures to verify the accuracy and completeness of the former County Collector's annual settlements. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector reviews the tax books for accuracy, but this is effectively reviewing her own work. The County Collector, County Assessor, and County Clerk do not always retain records of changes (i.e., additions and abatements) entered into the property tax system. Some court orders and original tax statements with notes about additions or abatements could not be located in the County Collector's, County Assessor's, or the County Clerk's offices.

Tax Maintenance Fund Budget The county budgeted a deficit fund balance for the Tax Maintenance Fund (TMF) for the year ending December 31, 2024. The County Auditor explained this was his first year completing budgets and he was still learning at the time and the County Commission did not detect the error when reviewing the budget. When considering the beginning fund balance and the budgeted receipts and disbursements, the county projected an ending fund balance for the TMF of negative \$39,323. The Missouri Constitution requires political subdivisions to ensure expenditures do not exceed revenue plus any unencumbered fund balance.

Change Fund The County Collector's office does not maintain the change fund at a constant amount. A cash count of the County Collector's office completed in June 2025 indicated the change fund was \$1,800, split among the 5 cash drawers held within the office. An additional \$197 was also found in a bank bag locked in the County Collector's desk drawer and the County Collector stated she was not sure of the purpose of the money, but it may have been part of the change fund. According to a memorandum of understanding dated November 16, 2016, the Newton County Commissioners established a cash fund for the County Collector to be set at \$900.

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

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

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

Newton County Collector and Property Tax System

Table of Contents

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

Management Advisory	
Report - State Auditor's	1. Property Tax System Controls and Procedures4
Findings	2. Tax Maintenance Fund Budget6
	3. Change Fund.....7

Organization and Statistical	8
Information	



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
County Collector
Newton County, Missouri

We have audited the County Collector and Property Tax System of Newton County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On July 12, 2024, a vacancy occurred in the office of the County Collector of Newton County. A successor was appointed and sworn into office effective July 15, 2024. The scope of our audit included, but was not necessarily limited to, the fiscal year ended February 29, 2024, and the period of March 1, 2024, through July 12, 2024. The objectives of our audit were to:

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

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions, including determining the compensation that should have been paid to the replaced collector in the past 3 years and the compensation actually paid during that period.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

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

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

Scott Fitzpatrick
State Auditor

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

1. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. The County Collector's office collected approximately \$62.4 million in property taxes and other miscellaneous receipts during the year ended February 29, 2024.

1.1 Review of property taxes

The County Clerk, County Auditor, and County Commission did not adequately review the financial activities of the County Collector's office. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. The County Auditor explained that he verifies the accuracy of the monthly and annual settlements; however, there is no documentation maintained to confirm this review is completed. In addition, the County Clerk, County Auditor, and County Commission did not perform procedures to verify the accuracy and completeness of the former County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax money going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with money payable into the county treasury. Section 55.160, RSMo, requires the County Auditor to keep a correct account between the county and all county officers. An account book or other records summarizing all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatement, and protested amounts maintained by the County Clerk and/or County Auditor would help the County Clerk and County Auditor ensure taxes charged and credited to the County Collector are complete and accurate, and could also be used by the County Clerk, County Auditor, and County Commission to verify the accuracy and completeness of the County Collector's annual settlements and delinquent tax books. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.2 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Assessor inputs the assessed valuations and tax levies into the property tax system. The County Collector then runs the necessary reports for the tax books and provides copies of the finalized tax books to both the County Clerk and County Auditor. The County Collector reviews the tax books for accuracy, but this is effectively reviewing her own work. The County Auditor indicated he was not aware he should have been verifying the tax books for accuracy. However, because the County Collector is responsible for collecting property tax money, good internal controls and state law require someone independent of the collection process be responsible for generating and testing the accuracy of the tax books. Failure to prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.



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

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, someone independent of the process needs to verify the accuracy of the tax books, and document approval of the tax book amounts to be charged to the County Collector.

1.3 Additions and abatements records retention

The County Collector, County Assessor, and County Clerk do not always retain records of changes (i.e., additions and abatements) entered into the property tax system. Some court orders and original tax statements with notes about additions or abatements could not be located in the County Collector's, County Assessor's, or the County Clerk's offices. The process for additions and abatements begins in the Assessor's office, where office personnel create a court order that is then printed in the Collector's office. The Collector then forwards the court order to the County Clerk to sign before it goes the County Commission for review and approval. There is a lack of organization between the County Clerk, County Assessor, and County Collector for the storage of these documents and no set procedure for how the final versions of the documents are stored, resulting in missing records.

We judgmentally selected 12 additions and 12 abatements to test out of the 5,638 additions and 212 abatements made during the year ended February 29, 2024, and noted 4 were missing documentation to support the change and 3 of those 4 were missing court orders.

Retention of records is necessary to ensure the validity of transactions and provide an audit trail. In addition, 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.

Recommendations

- 1.1 The County Clerk and County Auditor maintain an account book with the County Collector. In addition, the County Clerk, County Auditor, and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 1.2 The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.
- 1.3 The County Commission, County Clerk, and County Assessor develop procedures to ensure all property tax system changes are properly monitored and records of changes are retained.



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

Auditee's Response

- 1.1 *The County Collector and the County Auditor have developed an Account Book spreadsheet to verify the accuracy of monthly collections and the annual settlement for the County Collector.*
- 1.2 *The County Clerk certifies the levies received from the state, and the County Assessor enters those levies into the system. The County Collector will print two parcel statements for the current year from each levy scenario selected by the County Auditor and provide them to the County Clerk for verification of the amounts due. The County Assessor will assist the County Clerk with access to the software and reports used to verify the accuracy of the tax books. If the County Clerk identifies any discrepancy, the County Assessor and County Clerk will retain documentation of the resulting change in the appropriate file format. The County Collector will also provide the County Clerk with recommendations for this process based on prior procedures.*
- 1.3 *The County Collector will provide the complete report, including the name, account number, parcel number, increase amount, decrease amount, and additions in their entirety, to the County Commission, County Clerk, and County Auditor. The County Collector will also add the reason for any changes made to existing accounts, from the tax book to the Collector's spreadsheet to ensure that each abatement/increase to a statement is properly documented. The County Collector will continue to retain abatements or increases signed by the County Commission. The County Collector will continue to retain the Collector's copy of any additions.*

2. Tax Maintenance Fund Budget

The county budgeted a deficit fund balance for the Tax Maintenance Fund (TMF) for the year ending December 31, 2024. The County Auditor explained this was his first year completing budgets and he was still learning at the time and the County Commission did not detect the error when reviewing the budget. When considering the beginning fund balance and the budgeted receipts and disbursements, the county projected an ending fund balances for the TMF of negative \$39,323.

Missouri Constitution, Article VI, Section 26(a), and Section 67.010.2, RSMo, require political subdivisions to ensure expenditures do not exceed revenue plus any unencumbered fund balance. Realistic projections of the county's uses of funds and fund balances are essential for the efficient management of finances and for communicating accurate financial data to county residents. Significantly overestimating anticipated disbursements is misleading to the public and prevents an accurate estimate of the county's financial condition.



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

Recommendation

The County Collector, County Auditor, and County Commission discontinue deficit budgeting and implement procedures to detect budget errors.

Auditee's Response

The County Auditor and County Collector have included in the Account Book spreadsheet an auto-populating page for the Tax Maintenance Fund. This page automatically pulls the Tax Maintenance Fund amount listed in the Accumulating Monthly tab of the workbook. The formula in the "TMF" tab adds all distributions for the year, lists the annual budgeted amount, and automatically calculates the amount to be transferred, if any. This process will effectively eliminate any negative balances in the Tax Maintenance Fund.

3. Change Fund

The County Collector's office does not maintain the change fund at a constant amount. A cash count of the County Collector's office completed in June 2025 indicated the change fund was \$1,800, split among the 5 cash drawers held within the office. An additional \$197 was also found in a bank bag locked in the County Collector's desk drawer and the County Collector stated she was not sure of the purpose of the money, but it may have been part of the change fund. She left it in the drawer because she was not sure what to do with it. According to a memorandum of understanding dated November 16, 2016, the Newton County Commissioners established a cash fund for the County Collector to be set at \$900. The current County Collector did not know which former County Collector set the change fund amounts and did not make any changes to the change fund when she took office.

Maintaining change funds at a constant amount and periodically counting and reconciling to the authorized balance is necessary to safeguard against possible loss, theft, or misuse of money.

Recommendation

The County Collector maintain the change fund at a constant amount and reconcile the fund to the authorized balance with each deposit.

Auditee's Response

The County Collector submitted a memorandum of change to the County Commission on April 26, 2026. This memorandum updated, with Commission approval, the amount to be retained in the County Collector's office. The County Collector has also developed a spreadsheet and signature-verification process to audit the cash maintained in the extra drawer monthly. Because this drawer is used infrequently, the amount maintained therein does not ordinarily change. If any changes are made, documentation will be retained in the spreadsheet and saved.

Newton County Collector and Property Tax System Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. The county's population was 58,648 in 2020, according to the U.S. Census Bureau.

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

James Otey served as County Collector until July 12, 2024. Jessica Crawford was appointed the County Collector and sworn into office on July 15, 2024.

The County Collector received compensation of \$27,450 for the period March 1, 2024, through July 12, 2024. During the years ended February 28 (29), 2023 and 2024, the County Collector received compensation of \$63,189 and \$64,881, respectively.