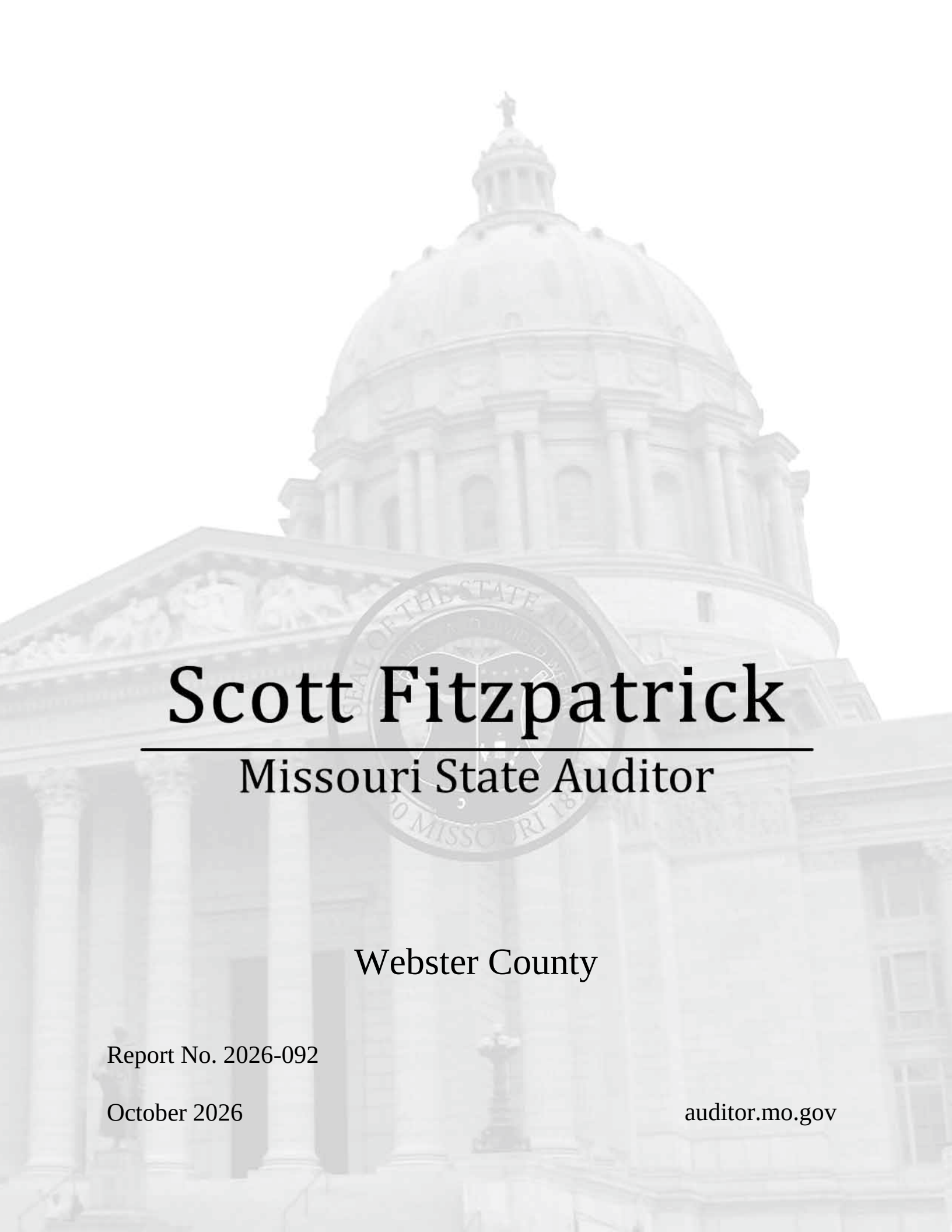




Scott Fitzpatrick

Missouri State Auditor

Webster County

Report No. 2026-092

October 2026

auditor.mo.gov



Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Webster County

Sheriff's Controls and Procedures	Controls and procedures in the Sheriff's office need improvement. Procedures for receipting, recording, and depositing need improvement. The Sheriff's office has not established procedures to follow up on outstanding checks. The Sheriff's office has not established adequate controls and procedures over seized property. Office personnel indicated they are unsure when a physical inventory of seized property was last performed. Office personnel prepare a monthly list of liabilities for the inmate commissary account, but the liabilities are not agreed to the reconciled bank balance. The Sheriff's office does not maintain cumulative book balances for the bond, revolving, and civil and general bank accounts.
Prosecuting Attorney's Controls and Procedures	Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney has not adequately segregated accounting duties or performed documented supervisory reviews of detailed accounting and bank records. The Prosecuting Attorney does not prepare bank reconciliations, a cumulative book balance, and a monthly list of liabilities. In addition, the Prosecuting Attorney does not disburse interest accrued to the County Treasurer. Office personnel do not always accurately record the method of payment and do not restrictively endorse checks when received.
County Clerk's Controls and Procedures	Controls and procedures in the County Clerk's office need improvement. The County Clerk's office does not have adequate procedures for receipting, recording, and transmitting money.
Public Administrator Receipting	Controls and procedures in the Public Administrator's office need improvement. Public Administrator's office personnel do not issue receipt slips for or log checks received in the mail.
County Collector's Bank Reconciliations	County Collector's office personnel do not prepare adequate bank reconciliations or maintain an accurate book balance for the main bank account. The February 2025 main account reconciliation included 8 checks, totaling \$4,471, that were in the accounting system and had already cleared the bank or been turned over to the County Treasurer for transfer to the State Treasurer's Unclaimed Property Division, but were not marked cleared or voided in the accounting system.
County Collector Commissions	The county does not report personal commissions received by the County Collector for the collection of city taxes as employee compensation to the Internal Revenue Service (IRS) or the Missouri Department of Revenue. The County Treasurer paid the County Collector commissions totaling \$37,736 for the collection of city taxes during the fiscal year ended February 29, 2025, outside of the county payroll process.
Sheriff's Compensation	The County Commission authorized mid-term salary increases totaling \$25,581 to the Sheriff in violation of constitutional provisions.

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. The County Assessor and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
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.
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.

Webster County

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
Officeholders of Webster County

We have audited certain operations of Webster 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, 2024. 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, 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 controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Webster County.

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

Scott Fitzpatrick
State Auditor

Webster County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected approximately \$525,725 in civil paper service fees, concealed carry weapon (CCW) permits, bonds, money from inmates, and other miscellaneous receipts during the year ended December 31, 2024.

1.1 Receipting, recording, and depositing

Procedures for receipting, recording, and depositing need improvement. Our review of receipt slips, bond forms, and deposits identified the following concerns:

- Checks are not always restrictively endorsed upon receipt. For example, we performed a cash count on May 21, 2025, and identified none of the 4 checks, totaling \$250, for CCW receipts were restrictively endorsed. Personnel indicated the office's procedure is to restrictively endorse all checks prior to deposit and they endorsed them while we were in the office.
- The Sheriff's office does not always deposit inmate funds timely. We haphazardly selected 1 month, November 2024, and reviewed all deposits in that month. We noted 37 of the 56 inmate money receipts deposited on November 14, 2024, totaling \$3,011, were held for up to 20 days prior to deposit. Personnel indicated the practice is to deposit funds every 14 days, but in November 2024 they had not followed the normal schedule. Based on the \$4,164 total of cash deposited on November 14, 2024, depositing this infrequently exposes the Sheriff's office to increased risk. In addition, during our cash count, we noted 1 check dated June 20, 2023, for an inmate that had been transferred from and to a neighboring county, was not recorded in the Sheriff's accounting records. Personnel indicated this check was not deposited because the inmate was only held temporarily.
- Jail personnel do not use prenumbered bond forms. As a result, the Sheriff's office cannot ensure all bonds received have been deposited, disbursed, and handled properly. During 2024, the Sheriff's office receipted 369 bonds. Personnel indicated they have tried to work with the software vendor to make the forms prenumbered, but have been unsuccessful.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of money could occur and go undetected.

1.2 Outstanding checks

The Sheriff's office has not established procedures to follow up on outstanding checks. As of December 31, 2024, there were 449 outstanding checks, totaling \$2,578, that were older than 1 year in the inmate commissary bank account. In the general and civil bank account, we noted 2 outstanding checks, totaling \$17, that have been outstanding for more than 5 years.



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Personnel indicated they are working to turn over the old checks to the State Treasurer's Unclaimed Property Division.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of money in the account and to ensure the checks are appropriately reissued to the payee or the money is disbursed as otherwise provided by state law. Section 447.532, RSMo, provides that any funds held by a political subdivision that remain unclaimed for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.

1.3 Evidence

The Sheriff's office has not established adequate controls and procedures over seized property. Office personnel indicated they are unsure when a physical inventory of seized property was last performed. The Sheriff's office uses a computer system to track seized property items and had an estimated 6,918 items on the seized property listing¹ as of June 6, 2025, when the listing was provided to us.

We haphazardly selected 16 items from the seized property evidence listing to trace to the physical inventory and 5 items from seized property to trace back to the seized property evidence listing. Sheriff's office personnel could not locate 4 of the items on the seized evidence log within the evidence room, including 3 guns (a 22-caliber rifle, a 40-caliber Black Taurus, and a Glock 22 Gen 4) and a tapestry. Personnel determined 1 of the 4 items we could not locate on the seized property inventory listing had the incorrect case number listed as a result of an issue with case numbers in 2021 and 2022. Personnel were later able to provide destruction or release orders for the 4 items, 1 of which was released in 2017, but they had failed to mark the items as disposed in the system.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Annual seized property inventories and complete and accurate inventory records including such information as description, current location, case number, date of seizure, and disposition of such property are necessary to ensure seized property is accounted for properly.

1.4 Inmate commissary liabilities

Sheriff's office personnel prepare a monthly list of liabilities for the inmate commissary account, but the liabilities are not agreed to the reconciled bank balance. In March 2024, the Sheriff's office commissary vendor transitioned from a computer-based commissary system to a cloud-based commissary system. Due to this change the Sheriff's office performs 2 reconciliations to reconcile the bank account. As of December 2024, the inmate bank account

¹ Due to the nature of the seized property room records we could not readily determine the population of seized items.



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had a reconciled bank balance of \$29,584. A list of liabilities as of December 31, 2024, was prepared showing total liabilities of \$30,178, including profits, total inmate balances, and other miscellaneous items, resulting in an unidentified shortage of \$594. This shortage may be due to timing differences between the date of the bank balance and the liabilities or inaccuracies in the inmate balances. The Sheriff's office was unable to obtain a report showing individual inmate balances. Personnel indicated they are waiting to disburse commissary profits to the County Treasurer until the differences are identified and resolved.

Reconciling monthly lists of liabilities as part of the monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular comparison of liabilities to the reconciled bank balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and funds are available to satisfy all liabilities.

1.5 Book balances not maintained

The Sheriff's office does not maintain cumulative book balances for the bond, revolving, and civil and general bank accounts. Personnel record receipts and disbursements within accounting records, but do not track the related book balances for the various bank accounts. Personnel indicated they disburse all funds receipted to the County Treasurer monthly for the bond, revolving, and civil and general bank accounts after agreeing the balances to the full amounts receipted during the month. However, we noted each of the bank accounts had a balance at the end of the month, indicating receipts were not fully disbursed. Because there is no cumulative book balance in the accounting records, the Sheriff's office cannot compare the reconciled bank balances to the book balances. The Sheriff's office was unaware of the need to maintain a book balance.

Preparing a cumulative book balance helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.

Recommendations

The Sheriff:

- 1.1 Ensure checks are restrictively endorsed immediately upon receipt, and ensure money received is deposited timely. In addition, issue prenumbered bond forms for all bond receipts.
- 1.2 Establish procedures to routinely investigate outstanding checks and ensure old outstanding checks are voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disbursed in accordance with state law.



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- 1.3 Maintain a complete and accurate seized property evidence listing, including updating the list for any items returned or destroyed, and ensure periodic physical inventories are conducted and reconciled to the seized property evidence listing. Any differences should be investigated and resolved.
- 1.4 Prepare a monthly list of liabilities, including individual inmate balances, and reconcile the monthly list of liabilities to the reconciled bank balance. Any differences should be promptly investigated and resolved.
- 1.5 Ensure an accurate and up-to-date book balance is maintained and reconciled to the bank balance monthly for all bank accounts.

Auditee's Response

- 1.1 *We thank the Auditor for this suggestion. The 4 checks were not endorsed when received because staff had previously endorsed checks when making the bank deposit. We have corrected this process and now endorse checks when they are received.*

Inmate funds are deposited into a double-locked kiosk and securely held until the scheduled bank deposit. Due to a state holiday in November, the normal deposit was delayed until the following week, resulting in a 21-day period between deposits.

The check in question was not recorded because the individual it was issued to was from another county and had been released from jail before we received the check. We were unable to locate the individual, so the check was returned to the originating county.

Jail personnel do not use prenumbered bond forms because they are automatically generated through our Report Management System (RMS). We have repeatedly requested this feature and will continue working with the vendor to address it.

- 1.2 *The outstanding inmate commissary checks were issued to inmates upon release for remaining account balances. A large amount of these checks are so small they are never cashed by the recipient. All outstanding inmate commissary checks have now been and will continue to be sent to the County Treasurer for submission to the state as unclaimed property. The two outstanding civil checks are being further investigated and will be reissued or sent to the County Treasurer for submission to the state as unclaimed property.*
- 1.3 *The Sheriff's office has been working to improve evidence inventory records to ensure they match the physical inventory. When we transitioned to our RMS, evidence had to be entered manually,*



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Management Advisory Report - State Auditor's Findings

resulting in some incorrect entries. The incorrect case number occurred because the system did not automatically update the year from 2021 to 2022. The case numbers were manually corrected and we now verify each year that they generate correctly. We appreciate the Auditor's feedback and will conduct a yearly physical inventory of evidence to ensure accurate documentation and records.

1.4 The Sheriff's office does not agree that there was a shortage in the account. The ending bank balance should not be directly compared to total liabilities to determine whether a shortage exists. The bank balance represents cash held in the account, while total liabilities represent obligations. This will not equal the amount that should be in the account at a specific time. Our office reconciles bank accounts to bank statements and tracks outstanding transactions monthly. The account reconciled correctly for the month in question, and we have more liquidity in the Inmate Security fund held by the Treasurer to cover any liabilities. We simply move the liquid funds to the Treasurer for liability and reconciliation each month.

1.5 The Sheriff's office electronically reconciles each bank account using Excel by comparing account activity to the corresponding bank records and verifying transactions against bank statements. A check is issued to the County Treasurer each month, so the bank statement may show those funds until the check clears the following month. Our reconciliation tracks these outstanding transactions. We appreciate the suggestion and are willing to modify our process as needed to clearly document cumulative balances and outstanding transactions for each account.

Auditor's Comment

1.4 While Section 221.102, RSMo, allows retention of a minimum amount of money in the commissary account for cash flow purposes and current expenses, the list of liabilities plus the amount retained for cash flow purposes should equal the reconciled bank balance. In addition, the Sheriff's office indicated that the Inmate Security fund is available to cover any liabilities in this account, which is not allowed by state law.

**2. Prosecuting
Attorney's Controls
and Procedures**

Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney's office collected \$141,643 in bad check and court-ordered restitution and fees for the year ended December 31, 2024.

2.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties or performed documented supervisory reviews of detailed accounting and bank records. One employee is primarily responsible for receipting and recording all information, including payments related to bad check complaints and



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court-ordered restitution in the computerized accounting system; disbursing and transmitting money; and reviewing the bank account. The Prosecuting Attorney performs a supervisory review of transmittals and adjustments, but the review of adjustments is not documented. As a result, there is little assurance that all money received is properly recorded, transmitted, and disbursed to the appropriate parties.

This employee also has the authority to write-off accounts and record adjustments to the computerized accounting system after obtaining independent approval. However, documentation supporting this approval is not retained. A report of adjustments made to the system is not generated and compared to supporting documentation, so there is no assurance all adjustments received the proper approval.

Proper segregation of duties is necessary to ensure transactions are accounted for properly, adjustments and write-offs are valid, and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, disbursing, and transmitting money. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include a review of adjustments and write-offs made to the accounting system.

2.2 Bank reconciliations, cumulative book balance, liabilities, and undisbursed interest proceeds

The Prosecuting Attorney does not prepare bank reconciliations, a cumulative book balance, and a monthly list of liabilities. In addition, the Prosecuting Attorney does not disburse interest accrued to the County Treasurer. Prosecuting Attorney's office personnel indicated they believed a bank reconciliation was not necessary, as the credit and debit transactions are automatically deposited into the bank account and the office disburses all credit and debit card receipts to the County Treasurer monthly, resulting in a \$0 bank balance. However, we noted the bank balance was not \$0 at the end of the audit period.

As of December 31, 2024, the bank statement balance was \$2,308. Of this, we identified liabilities totaling \$1,354, consisting of accrued interest and monthly receipts to be turned over to the County Treasurer, resulting in an unidentified balance of \$954. Prosecuting Attorney's office personnel indicated the money was likely from older outstanding items that are unknown. In addition, the Prosecuting Attorney's office does not turn over interest to the County Treasurer, so the bank balance included at least \$176 of interest accrued in prior years.

Preparing a cumulative book balance, 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. Without regular identification and



Webster County Management Advisory Report - State Auditor's Findings

comparison of liabilities to a reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Section 447.532, RSMo, provides that any funds held by a political subdivision that remain unclaimed for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division. 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, including interest proceeds.

2.3 Receipting and recording

The Prosecuting Attorney's office procedures for receipting and recording need improvement. We noted the following concerns:

- Office personnel do not always accurately record the method of payment. During a cash count on March 31, 2025, we noted that for 1 of the 8 receipts on hand, the receipt slip did not indicate the correct method of payment. We haphazardly selected 10 of the 45 bad check receipts from 2024 and haphazardly selected 2 deposits made for the judgmentally selected period of December 2024 for restitution (12 receipts). During our review, we noted 5 out of 22 receipt slips were recorded with an incorrect method of payment. As a result, the composition of receipts could not be reconciled to the composition of transmittals. Office personnel indicated this is due to employees being rushed and making mistakes.
- Office personnel do not restrictively endorse checks when received. During a cash count on March 31, 2025, we noted all 4 of the money orders on hand, totaling \$1,100, were not restrictively endorsed. Prosecuting Attorney's office personnel indicated the practice is to restrictively endorse the checks and money orders immediately prior to transmitting to the County Treasurer.

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

Similar conditions previously reported Recommendations

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

The Prosecuting Attorney:

- 2.1 Segregate accounting duties or perform documented supervisory reviews of detailed accounting and bank records. In addition, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments and write-offs made to the accounting system.



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- 2.2 Ensure a cumulative book balance, adequate bank reconciliations, and monthly lists of liabilities are prepared and reconciled timely. In addition, ensure interest accrued is disbursed monthly to the County Treasurer. Any discrepancies between accounting records and reconciliations should be promptly investigated and resolved.
- 2.3 Ensure receipt slips are entered into the system accurately, including method of payment, and checks and money orders are restrictively endorsed at the time of receipt.

Auditee's Response

- 2.1 *As previously identified, the Prosecuting Attorney's office is not adequately staffed to completely accommodate the identified issues in Section 2.1 Segregation of Duties. Often on docket days and during jury trials, there are only 1 to 2 staff who remain at the office, while the other staff and prosecutors are in court for most of those docket days. In connection with this reality, it is necessary for each staff member to have a specialty, but also be cross-trained on some of the essential functions in the office. At any given time, my office is actively prosecuting hundreds of cases. Employee write-offs and adjustments of amounts owed rarely occur (maybe 5 instances during my tenure); however, I had not had a policy/process for this. The designated employee, prior to now had requested oral authority from me. I have made the change that requires any adjustment/write-off be made in writing to me to review and authorize requests. I will add to my review monthly bank reconciliations, monthly receipt reports and records to ensure that these match monthly receipts and transmittals. I have revised the policy, as stated above, to require that adjustments/write-offs requests be in writing to me for review and authorization if appropriate.*
- 2.2 *The Prosecuting Attorney has a new employee in the position that handles and is responsible for preparing transmittals, check payment, and correspondence to the County Treasurer, and that staff member's duties include providing me each month with a bank reconciliation and attendant receipt records. The prior staff member struggled with this concept and mistakenly believed that each payment received was transferred to the County Treasurer with the bi-weekly transmittal, leaving no balance. Truly, the only balances are temporary, but that does not obfuscate the need for reconciliations. The new staff member understands that a reconciliation must be prepared each month for my review and to ensure that all payments received are included in the transmittal. The Prosecuting Attorney account is only a deposit account, with any deposits being transmitted for disbursement only to the County Treasurer. The new staff member is instructed to work with the County Treasurer on the accumulation of interest, and prepare a*



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monthly transmittal to the County's General Revenue account and make that transmittal to the County Treasurer.

- 2.3 *A new policy has been implemented to ensure each employee taking payments uses and checks the appropriate category of the type of payment. This policy had not previously existed, but the audit has brought this issue to my attention and is now corrected. The staff member previously assigned to supervise this task expressed not having enough time, which is common for all staff in the Prosecuting Attorney's office, but the employee did not bring this issue to me to address. The issue of correctly categorizing the type of payment has been explained, and the necessity of our software receipting to accurately reflect the type of payment has been addressed and emphasized.*

All staff members authorized and trained to accept payments, have been updated and informed that during receipt of the cashier's check or money order, and during the receipting process, at that time the process will include stamping each payment with the restricted endorsement. There has been \$0 in loss, theft, or misuse of any money order or cashier's check during my 11+ years in the Prosecuting Attorney office.

3. County Clerk's Controls and Procedures

Controls and procedures in the County Clerk's office need improvement. The office collected approximately \$141,714 in all-terrain vehicle permits, liquor licenses, notary services, collections on behalf of others, and other miscellaneous receipts during the year ended December 31, 2024.

The County Clerk's office does not have adequate procedures for receipting, recording, and transmitting money. We noted the following concerns:

- Office personnel do not issue receipt slips for all money received or always record amounts on the receipt log. During a cash count performed on March 31, 2025, we noted personnel did not issue receipt slips for \$21 of the \$320 cash receipts counted. According to the Deputy Clerk, this is an occasional occurrence discovered at the time of transmitting monthly, due to clerks forgetting to log the receipt of money.
- The County Clerk does not transmit all receipts timely to the County Treasurer. We tested all 27 County Clerk receipts for a randomly selected month, September 2024, to determine if they were receipted, recorded, and transmitted appropriately. During this review, we noted the office held \$16,500 in receipts for over 1 month prior to transmitting to the County Treasurer. The County Clerk indicated there were several circumstances, including the County Treasurer being unavailable and out of the office, that lead to the delay of the transmittal.



Webster County Management Advisory Report - State Auditor's Findings

- The County Clerk's office did not apply the correct credit card fees for 3 out of 6 credit card payments received in September 2024. Credit card fees are charged to the payer to ensure the county receives the full amount owed. County Clerk personnel manually calculate the credit card fee and enter the total to be paid in the credit card system. The credit card contractor's software automatically reduces the receipts transmitted to the County Clerk's office by the amount of the credit card fees. When the credit card fee is erroneously calculated too low, the office does not collect the full amount owed after the fees are retained by the credit card vendor.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of money received will occur and go undetected. Section 50.370, RSMo, requires every county official who receives any fees or any other remuneration for official services to pay such money monthly to the County Treasurer. By strengthening controls related to receipting, the County Clerk's office can ensure the set fees for services, licenses, and processing credit card transactions are fairly and consistently applied.

Recommendation

The County Clerk ensure prenumbered receipt slips are issued for all money received, receipts are transmitted timely, and credit card fees are appropriately charged.

Auditee's Response

The County Clerk's office will continue to strengthen controls related to receipting, including ensuring receipt slips are issued for all money received, receipts are transmitted timely, and credit card fees are appropriately charged.

4. Public Administrator Receipting

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 105 wards and estates as of December 31, 2024.

Public Administrator's office personnel do not issue receipt slips for or log checks received in the mail. The Public Administrator indicated office personnel scan the checks received when preparing the deposit; however, she did not consider the importance of issuing receipt slips for checks received in the mail.

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

Recommendation

The Public Administrator issue prenumbered receipt slips for all money received.



Webster County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Webster County Public Administrator's Office meticulously completes thousands of financial transactions every year on behalf of those we serve. We efficiently produced every piece of supporting documentation requested during this audit and we were thrilled that our accounting was found to be completely accurate.

Nearly 90% of the deposits received into our office arrive via direct deposit. We have always issued written receipt slips for any cash that is received into our office, which is a rare occurrence. The small number of checks that our office receives through the mail are from entities that do not expect to receive a written receipt slip for such purposes (state government benefits/refunds, federal government benefits/refunds, client payroll checks, account closures, etc.). We allow the remitter's cleared check to serve as the receipt slip.

We strive for excellence and are continuously looking for ways to refine our processes. Our office immediately implemented an internal receipt log in May 2025 as soon as it was suggested by the audit team. Any checks or cash received in our office are promptly documented in the prenumbered log and each entry correlates to the recipient's individual account for ease of tracking. Thank you for this recommendation; it helps ensure our office continues to provide the highest level of quality service to our community.

5. County Collector's Bank Reconciliations

Controls and procedures in the County Collector's office need improvement. The office collected approximately \$35,700,000 in property taxes and other miscellaneous receipts during the year ended February 28, 2025.

County Collector's office personnel do not prepare adequate bank reconciliations or maintain an accurate book balance for the main bank account. County Collector's office personnel maintain a check register and other records of the book balance, but they are not sufficient. The February 2025 main account reconciliation included 8 checks, totaling \$4,471 that were in the accounting system and had already cleared the bank or been turned over to the County Treasurer for transfer to the State Treasurer's Unclaimed Property Division, but were not marked cleared or voided in the accounting system. As a result, the book balance was inaccurate and the reconciled bank balance was not compared to the book balance. The Deputy Collector indicated she and the County Collector were unaware they could remove or void transactions from the bank reconciliation and did not take any further action because they were aware of what most of the transactions were.

Maintaining an accurate book balance and performing adequate bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.



Webster County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Collector ensure adequate monthly bank reconciliations and accurate up-to-date book balances are prepared and reconciled to the bank balance.

Auditee's Response

The 8 checks that had already cleared the bank and/or been turned over to the County Treasurer were not deleted from the QuickBooks software to preserve the documentation trail. I was not aware that you could or should delete past checkbook register entries in the QuickBooks software. I thought these were official records pertaining to the Collector's office. There is never money in the bank that is unaccounted for, and once we reconcile in the QuickBooks software, we then complete the open items list and balance to the penny each month.

Auditor's Comment

The County Collector's accounting records (QuickBooks software) included each of the 8 transactions twice: the original check and the payment to the County Treasurer for unclaimed property. The manual handwritten reconciliation did not include the 8 original checks and was not compared to the QuickBooks balance. Therefore, the QuickBooks balance, which had double counted these entries, did not reconcile with the bank balance.

6. County Collector Commissions

The county does not report personal commissions received by the County Collector for the collection of city taxes as employee compensation to the Internal Revenue Service (IRS) or the Missouri Department of Revenue. The County Collector has written agreements with 7 cities for property tax collection services that provide for him to withhold and personally retain a commission on all city tax collections. The commission varies depending on the city and if the taxes collected are current or delinquent. The County Treasurer paid the County Collector commissions totaling \$37,736 for the collection of city taxes during the fiscal year ended February 29, 2025, outside of the county payroll process. The County Commission was unaware of the need to report the commissions paid to the IRS and the state.

Since the payments for commissions are not processed through the county payroll system, they have not been reported on the employee's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid. IRS regulations require individuals treated as employees to have all compensation reported on W-2 forms. To ensure all compensation is properly reported and taxed, all compensation needs to be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county.

Recommendation

The County Commission should work with the County Clerk and County Collector to ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the IRS and the state as employee compensation.



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Auditee's Response

The County Commission will work with the County Clerk and Collector to resolve the issue.

7. Sheriff's Compensation

The County Commission authorized mid-term salary increases totaling \$25,581 to the Sheriff in violation of constitutional provisions. The Sheriff took office in 2021 at the salary level approved by the Webster 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 sworn into office after the new salary schedule was authorized.

According to the County Clerk, the County Commission 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 this matter.

Recommendation

The County Commission ensure mid-term salary increases comply with constitutional provisions and consider various methods of possible recoupment of any mid-term salary increases already paid.

Auditee's Response

As the audit report states, the Missouri legislature enacted a law in 2021 that explicitly stated the Sheriff's pay increase should be phased in over a period of 5 years beginning on January 1, 2022. The County Commission was merely following the law as written. That the State Auditor's Office would subsequently opine that the Legislature's action is in conflict with the Constitution was not known to the Commission at the time. Furthermore, in a December 3, 2024, legal opinion, the Missouri Attorney General's office held that the pay increases were proper, ordered, and that the legislation "imposed additional duties on county sheriffs for purposes of any mid-term salary changes." Nonetheless, the County Commission will ensure that future



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changes in compensation for county officials will harmonize with constitutional provisions.

Auditor's Comment

Article VII, Section 13, of the Missouri Constitution prohibits an increase in compensation for state, county, and municipal officers during the term of office. The December 3, 2024, correspondence from the Missouri Attorney General's office, discussed in the Sheriff's response, is not an official Attorney General's Opinion and ignores existing caselaw and the provisions of Senate Bill (SB) 53. The Sheriff's salary schedule passed in SB 53 (2021) is devoid of any additional duties extrinsic or not germane to the duties ordinarily performed by a sheriff that would allow the constitutional barrier to mid-term increases for public officers to be removed, nor does it contain any express provision providing the additional compensation for the sheriffs was for the performance of any new duties contained therein. The exception to the prohibition on mid-term increases based on newly created or additional duties extrinsic or not germane to the office is therefore inapplicable. In multiple cases, the Supreme Court of Missouri has addressed the constitutional prohibition on mid-term increases. See e.g., *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); and *Mooney v. County of St. Louis*, 286 S.W.2d 763 (Mo. 1956).

8. 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.

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 have a minimum length of characters for passwords. The officials indicated they did not know the necessity of requiring a minimum amount of characters in passwords.

Passwords are necessary to authenticate access to computers. However, since passwords in certain offices do not have a minimum length of characters, 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.

Recommendation

The County Commission work with other county officials to require each employee to use a password that contains a minimum number of characters.

Auditee's Response

The Commission agrees to work with other county officials to require each employee to use stronger passwords.



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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.²

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 County Clerk indicated the county was unaware of the record retention requirements and the electronic communications guidelines.

Recommendation

The County Commission work with 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 Commission agrees to work with other county officials to develop better policies regarding retention of electronic communications.

² 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 August 7, 2026.

Webster County

Organization and Statistical Information

Webster County is a county-organized, third-class county. The county seat is Marshfield. The county's population was 39,085 in 2020, according to the U.S. Census Bureau.

Webster 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 roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 114 full-time employees and 32 part-time employees on December 31, 2024.

County operations also include the Senate Bill 40 Board and Senior Citizens' Service Board.

Elected Officials

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

Officeholder	2025	2024
Paul Ipock, Presiding Commissioner	\$	49,926
Dale Fraker, Associate Commissioner		47,926
Randy Owens, Associate Commissioner		47,926
Stacy Atkison, Recorder of Deeds		71,586
Stanley D. Whitehurst, County Clerk (1)		74,330
Benjamin J. Berkstresser, Prosecuting Attorney		159,807
Roye Cole, Sheriff		83,552
Todd Hungerford, County Treasurer		71,586
Michael Taylor, County Coroner		26,742
Danielle Boggs, Public Administrator		71,586
Kevin Farr, County Collector (2), year ended February 28,	112,076	
Austin Graybill, County Assessor, year ended August 31,		74,340
Gary Drennan, County Surveyor (3)		5,000

- (1) Includes \$2,744 of commissions for preparing city tax books.
- (2) Includes \$37,736 of commissions earned for collecting city property taxes.
- (3) Compensation on a fee basis.