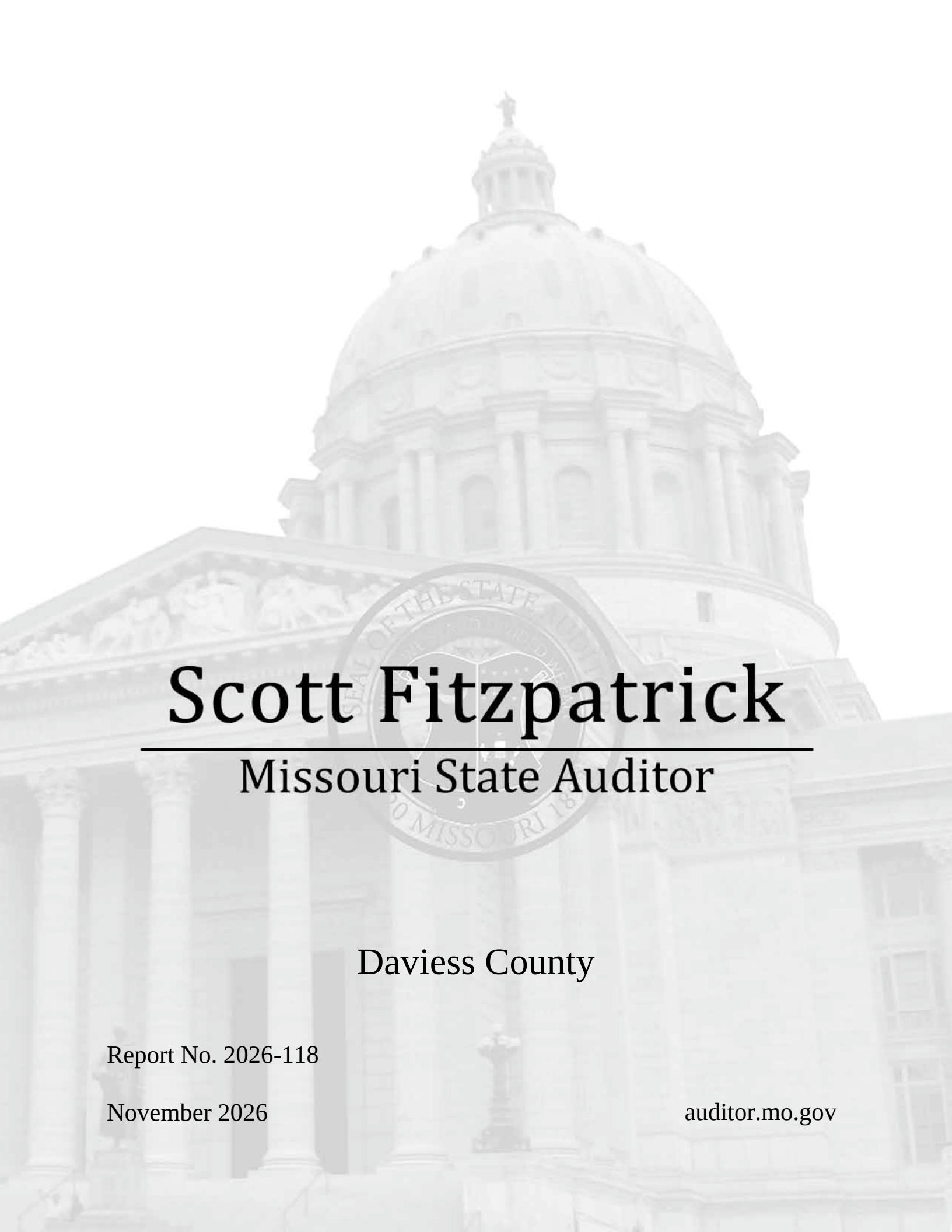

Scott Fitzpatrick

Missouri State Auditor

Daviess County

Report No. 2026-118

November 2026

auditor.mo.gov

Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Daviess County

Prosecuting Attorney's Controls and Procedures	Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney does not timely transmit bad checks and restitution payments to victims or fees to the County Collector-Treasurer. In total, payments received for victims totaling $64,927 and related fees totaling $2,950 collected from January 1, 2023, through July 31, 2025, were not disbursed and were still on hand as of July 31, 2025. The Prosecuting Attorney does not perform monthly bank reconciliations and a running book balance is not maintained for the account. In addition, monthly lists of liabilities are not prepared to reconcile to the available cash balance. Prosecuting Attorney's office personnel do not deposit receipts timely. Out of 126 receipts reviewed from January 2023 through July 2025, 35 receipts (28%) totaling $8,242, were deposited 31 to 105 days after receipt. The Administrative Clerk does not prepare a monthly list of unpaid bad checks and restitution. As a result, the amount of unpaid receivables is unknown and the need for follow up on specific cases may not be identified timely.
Public Administrator's Bank Reconciliations	The former Public Administrator did not prepare bank reconciliations for wards' accounts. The former Public Administrator failed to use the accounting system made available during her term in office.
County Budgets	The County Commission does not adequately monitor budget-to-actual receipts and disbursements. For the year ended December 31, 2024, actual disbursements exceeded budgeted disbursements for four funds. Budget amendments were not prepared for these funds. The County budgeted deficit fund balances for the Law Enforcement Training (LET) Fund and the Law Enforcement Federal Grants (LEFG) Fund for the years ended December 31, 2024, and 2025. In addition, a deficit fund balance was budgeted for the Emergency Management Fund for the year ended December 31, 2025.
Senate Bill 40 Board Sunshine Law Compliance	The Senate Bill 40 Board did not always comply with the Sunshine Law for closed meetings. The Board did not provide notice of two closed meetings of the Board held in August and November 2024. The Board discussed and voted on some items in closed meetings that were not allowable under the Sunshine Law.
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 **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.

Daviess County
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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
Officeholders of Daviess County

We have audited certain operations of Daviess 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 certain 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 Daviess County.



Scott Fitzpatrick
State Auditor

1. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately $87,000 in court-ordered restitution, bad checks, and fees during the period January 1, 2023, to July 31, 2025.

1.1 Disbursements

The Prosecuting Attorney does not timely transmit bad checks and restitution payments to victims or fees to the County Collector-Treasurer. We reviewed receipts and disbursements of bad checks, restitution, and the administrative handling fees and Missouri Office of Prosecution Services (MOPS) fees for the period of January 2023 through July 2025. Disbursement checks for amounts owed to victims from bad checks or restitution were only disbursed on 3 dates (once each year) during the period of our review.

- Disbursements to victims were made on May 25, 2023, which included payments totaling $7,063 received from January 1, 2023, until May 17, 2023, along with payments totaling $769 received in prior years. While only $7,832 was due to victims when distributions were made, distributions totaling $7,932 were made, as one payment was made for $100 too much. According to the Prosecuting Attorney, this was a mistake and should be corrected.

- Disbursements to victims were prepared on June 11, 2024, consisting of most of the payments received from June 2, 2023, to June 6, 2024. Of the $14,478 collected during that period, only $11,540 was paid out. The remaining $2,938 due to victims had not yet been disbursed as of July 31, 2025. It is unclear when the amounts disbursed were mailed, but most of the checks written did not clear the bank until January and February 2025, and the copies of checks included in the January and February 2025 bank statements revealed those checks were re-dated by hand for December 31, 2024. Only 2 of the 22 checks prepared cleared the bank in June 2024, and none of the other payments cleared until January 2025. The Prosecuting Attorney was unsure why those checks had to be re-dated and were not issued until year end.

- A disbursement to a victim for $976 was made on July 3, 2025, and was the only payment made since disbursements were prepared on June 11, 2024. From June 7, 2024, through July 31, 2025, a total of $62,965 was collected, leaving $61,989 undisbursed.

In total, payments received for victims totaling $64,927 and related fees totaling $2,950 collected from January 1, 2023, through July 31, 2025, were not disbursed and were still on hand as of July 31, 2025. The County Collector-Treasurer indicated she has not received administrative handling or MOPS fees from the Prosecuting Attorney since April 30, 2020. The Prosecuting Attorney explained she generally does not wait and send the

victim payments out all at once, but will group several receipts with the same payee and pay those out as one payment. She indicated she fell behind in issuing payments and the issue worsened with time.

Timely disbursement of restitution payments and fees is necessary to ensure victims are compensated, receipts are properly accounted for, and to reduce the risk of loss, theft, or misuse of funds. 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 Collector-Treasurer, and Section 50.380, RSMo, provides that any county officer that fails to pay fees or other remuneration timely may be subject to penalties for such failure.

1.2 Bank reconciliations

The Prosecuting Attorney does not perform monthly bank reconciliations and a running book balance is not maintained for the account. In addition, monthly lists of liabilities are not prepared to reconcile to the available cash balance.

The July 31, 2025, bank balance was $88,507. After adjusting for deposits in transit ($2,503) and known outstanding checks ($6,111), the available cash balance at July 31, 2025, was $84,899. As noted in section 1.1, we identified $67,877 in undisbursed bad check and restitution collections and corresponding fees, leaving $17,022 in unidentified restitution payments and fees collected in the years prior to 2023. The Prosecuting Attorney indicated she was unable to devote time to reconciling the account balance.

Preparing timely monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected. Maintaining unidentified bank balances increases the risk of loss, theft, or misuse of such funds going undetected. 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 Deposit timely

Prosecuting Attorney's office personnel do not deposit receipts timely.

Out of 126 receipts reviewed from January 2023 through July 2025, 35 receipts (28%) totaling $8,242, were deposited 31 to 105 days after receipt. For example, the October 31, 2024, deposit of $4,305 consisted of receipts from July 18, 2024, thru October 25, 2024, including some receipts held over 100 days before deposit. The Administrative Clerk indicated the delays in deposits could be due to the busy nature of the office and whether she was in the office.

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

1.4 Accounts receivable

Improvement is needed in monitoring and pursuing collection of receivables. The Administrative Clerk does not prepare a monthly list of unpaid bad checks and restitution. As a result, the amount of unpaid receivables is unknown and the need for follow up on specific cases may not be identified timely. The Prosecuting Attorney's office could not determine a total of receivables due to lack of appropriate records.

A complete and accurate list of unpaid bad checks and restitution would allow the office personnel to more easily review the amounts due, take appropriate steps to ensure collection, and determine if any amounts are uncollectible. The Prosecuting Attorney indicated she assumed the computer system was able to print a report to show unpaid bad checks and outstanding restitution, but she did not attempt to run this report.

Recommendations

The Prosecuting Attorney:

1.1 Disburse bad check and restitution collections to victims timely and transmit fees monthly to the County Collector-Treasurer in accordance with state law.

1.2 Perform bank reconciliations monthly and ensure monthly lists of liabilities are prepared and reconciled to the available cash balance. In addition, disburse any unidentified funds in accordance with state law.

1.3 Ensure deposits are made timely.

1.4 Establish procedures to monitor and collect accounts receivables.

Auditee's Response

Due to a change in software, my office was behind in switching from a dated system to a system designed to more effectively handle restitution and handle reconciliations. The amount outstanding appeared very large due to one very large restitution amount owed to one victim. Those amounts have been paid, and the new system is much easier to navigate, reconcile and manage the account.

Regarding deposits, that correction has been made, and any deposits are made the day of receipt, or the next morning.

As far as receivables, as we fully integrate into the new software, this issue will resolve. Unfortunately, some restitution is difficult to collect. We now maintain a log of receivables so we can monitor who is paying and when restitution is not being paid.

We remain committed to providing restitution and bad check payments to victims as quickly and efficiently as possible.

2. Public Administrator's Bank Reconciliations

The former Public Administrator did not prepare bank reconciliations for wards' accounts. The Public Administrator is the court-appointed personal representative for wards of the Circuit Court, Probate Division. The former Public Administrator's office was responsible for the financial activity of 20 conservatorship wards and 1 guardianship ward with assets totaling approximately $209,000 as of December 31, 2024. The former Public Administrator failed to use the accounting system made available during her term in office. The current Public Administrator uses the accounting system and performs bank reconciliations.

Performing and maintaining accurate, monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded. The lack of bank reconciliations may allow for errors or misstatements to go undetected.

Recommendation

The Public Administrator complete and maintain accurate monthly bank reconciliations for all ward bank accounts.

Auditee's Response

I was appointed Public Administrator in February 2025 and have been preparing bank reconciliations for all the wards under my care since I started in my position.

3. County Budgets

County budgeting procedures need improvement.

Monitoring

The County Commission does not adequately monitor budget-to-actual receipts and disbursements. For the year ended December 31, 2024, actual disbursements exceeded budgeted disbursements for the following funds:

Fund	Budgeted Disbursements	Actual Disbursements	Actual Over Budget
Law Enforcement Training	$ 3,000	3,038	38
Law Enforcement Civil	9,900	13,016	3,116
Jackson Township	5,000	53,789	48,789
CARES Act	23,413	36,259	12,846

Budget amendments were not prepared for these funds. The County Clerk indicated budget to actual receipt and disbursement reports are presented to the County Commission periodically, but it did not consider making amendments to the budget.

Section 50.550, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year. Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable. Realistic projections of the county's uses of funds and fund balances are essential for the efficient

management of finances and for communicating accurate financial data to county residents. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.

Deficit budgets

The County budgeted deficit fund balances for the Law Enforcement Training (LET) Fund and the Law Enforcement Federal Grants (LEFG) Fund for the years ended December 31, 2024, and 2025. In addition, a deficit fund balance was budgeted for the Emergency Management Fund for the year ended December 31, 2025. The County Clerk indicated the deficits planned in these funds are caused by timing of the receipt of grants.

The LET and LEFG Funds both had negative fund balances on January 1, 2024, and budgeted expenditures approximately equal to anticipated revenues for 2024 and 2025. As a result, the County Commission projected deficit fund balances for the LET Fund of $1,011 and $299 for the years ended December 31, 2025, and 2024, respectively, and deficit balances for the LEFG Fund of $368 and $276 for the years ended December 31, 2025, and 2024, respectively, as can be seen in the table below:

		Law Enforcement Training Fund	Law Enforcement Federal Grants Fund
Actual Balance at January 1, 2024	$	(301)	(275)
Budgeted 2024 Revenues		3,002	4,800
Budgeted 2024 Expenditures		3,000	4,800
Budgeted Balance at December 31, 2024	$	(299)	(275)
Actual Balance at January 1, 2025	$	(1,011)	(367)
Budgeted 2025 Revenues		2,500	0
Budgeted 2025 Expenditures		2,500	0
Budgeted Balance at December 31, 2025	$	(1,011)	(367)

In addition, the Emergency Management Fund ended 2024 with a negative fund balance of $369 and budgeted equal revenues and expenditures in 2025, resulting in the budgeted deficit balance of $369 for the year ended December 31, 2025.

The Missouri Constitution, Article VI, Section 26(a) requires political subdivisions to ensure that expenditures do not exceed revenue plus any unencumbered fund balance, and Section 50.740, RSMo, requires balanced budgets.

A similar condition was noted in the county's financial statement audit report for the 2 years ended December 31, 2024.

Recommendation

The County Commission monitor disbursements throughout the year to ensure disbursements do not exceed budgeted amounts and funds do not have a negative balance, prepare any necessary budget amendments timely, and discontinue deficit budgeting.

Auditee's Response

We agree with the findings and are currently monitoring budget to actual receipt and disbursement activity monthly for all county funds. We will ensure disbursements do not exceed budgeted amounts in the future and that no county funds have a negative cash balance or are deficit budgeted. We will also prepare budget amendments and submit those timely if necessary.

4. Senate Bill 40 Board Sunshine Law Compliance

The Senate Bill 40 Board did not always comply with the Sunshine Law for closed meetings. We noted the following concerns with closed meetings held by the Senate Bill 40 Board from January 1, 2024, through July 14, 2025.

4.1 Closed meetings

The Board did not provide notice of two closed meetings of the Board held in August and November 2024. The closed meeting in August was a special closed meeting, and the November closed meeting was held prior to the open meeting. Because an open meeting was not held prior to either of these meetings, a public vote of the board to close the meeting was not held. For the other 3 closed meetings during the period reviewed, the Board did not make specific reference to the section of law allowing the closure when voting to close the meeting. In addition, the agenda for those 3 open meetings gave no indication a closed meeting would be held. The Board indicated it was not aware of the specific legal requirements related to closed meetings.

Section 610.022.1, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed meeting and to enter the vote and reason into the minutes. Section 610.020.1, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered.

4.2 Allowable topics

The Board discussed and voted on some items in closed meetings that were not allowable under the Sunshine Law. For example, the Board discussed the need for a part-time case manager and discussed and voted to approve pay increases. The Board indicated it is generally aware of allowable topics under the Sunshine Law and thought it complied with the requirements of the law.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings are limited to only those specifically allowed by law. Section 610.021(3), RSMo, allows certain personnel discussions to take place in closed meetings, but only when they involve the "Hiring, firing, disciplining, or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded."

Recommendations

The Senate Bill 40 Board:

4.1 Ensure notices and agendas are provided to advise the public of all meetings and ensure specific reasons for closing a meeting are documented in the open minutes.

4.2 Ensure only topics allowed by state law are discussed in closed meetings.

Auditee's Response

4.1 We agree with the findings and will ensure our compliance with requirements for notices and agendas, and will ensure the specific reason for closing a meeting is documented in the open minutes in the future.

4.2 We agree and will ensure only allowable topics are discussed in future closed meetings.

5. Electronic Communication Policy

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

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.[1]

Development of a written policy to address the use of electronic communications is necessary to ensure all documentation of official business of the county is retained as required by state law. The 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

[1] Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>, accessed August 5, 2026.

Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

We agree with the finding and will work with other county officials to develop a policy regarding electronic communications that meets the requirements of the Secretary of State Records Services Division electronic communication guidelines.

Daviess County
Organization and Statistical Information

Daviess County is a township-organized, third-class county. The county seat is Gallatin. The county's population was 8,430 in 2020, according to the U.S. Census Bureau.

Daviess County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. 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 25 full-time employees and 6 part-time employees on December 31, 2024. The townships maintain county roads.

County operations also include the Daviess-Dekalb Regional Jail District Commission, Senate Bill 40 Board, and Senior Citizens' Services Board. The Daviess-Dekalb Regional Jail District Commission includes the Presiding County Commissioners of Daviess and Dekalb Counties, as well as the Sheriff of each county.

Elected Officials

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

Officeholder	2025	2024
James Ruse, Presiding Commissioner	$	36,757
David Cox, Associate Commissioner		34,370
Wayne Uthe, Associate Commissioner		34,370
Tiffany Tadlock, Recorder of Deeds		51,024
Rachel Taylor, County Clerk		51,024
Andrea Gibson, Prosecuting Attorney		159,807
Larry Adams, Sheriff		58,716
David Jason Smith, County Coroner		16,374
Tammy Huffman, Public Administrator		31,834
Lacey Corwin, County Collector-Treasurer, year ended March 31,	52,273	
Aaron Piburn, County Assessor, year ended August 31,		50,691