Susan Montee, JD, CPA

Missouri State Auditor

Washington County

September 2010

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YELLOW SHEET

Findings in the audit of Washington County

Financial Condition and Indebtedness	The financial condition of the county is poor and needs to be addressed. Disbursements of the General Revenue Fund have exceeded receipts in 3 of the last 4 years. In addition, the county has a significant amount of debt and has had difficulty making required payments when due. The county's General Revenue Fund had a loan payable totaling $350,000 at December 31, 2009. Concerns with the county's budgetary practices may also contribute to the county's financial condition. The County Clerk and Treasurer generate budget to actual reports; however, the county's procedures for monitoring these reports have apparently not been effective and actual disbursements exceeded budgeted disbursements in several funds. The county does not maintain a schedule of all road and bridge lease purchase agreements, scheduled payments, and outstanding balances. In addition, the county did not budget for all 2009 lease purchase payments. As a result, the county had to refinance two motor graders in September 2009, because sufficient funds were not available to make the payment due.
Sheriff's Office Controls and Procedures	Accounting controls and procedures in the Sheriff's office are in need of improvement. As noted in our prior report, accounting duties are not adequately segregated. Receipt slips are not issued immediately upon receipt, checks are not restrictively endorsed immediately upon receipt, receipts are not always kept in a secure location until deposited, and receipts are not deposited timely and intact. The Sheriff's office has four old inactive bank accounts. Adequate procedures have not been established to ensure all accrued costs are identified and pursued. The standard mileage charge used by the Sheriff for some locations is not reasonable. Adequate documentation is not maintained for receipts and disbursements for the Cops for Kids bank account. Some disbursements from the Sheriff's Revolving Fund are not in compliance with state law.
Sheriff's Inmate and Commissary Procedures	Records and procedures over inmate commissary monies are in need of improvement. Accounting duties are not adequately segregated. Profits from the inmate commissary are used to purchase items for the jail instead of turned over to the County Treasurer. Procedures are not in place to identify month-end liabilities and reconcile liabilities to the inmate commissary account. The Sheriff's office does not maintain documentation to support deductions from inmate account balances. A $10 booking fee is collected from inmates at the time of incarceration and deposited into the inmate commissary bank account. According to an attorney general's opinion, there is no express statutory authority for the Sheriff to charge a booking fee.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not issue receipt slips for bad check restitution or delinquent tax collections. In addition, receipts are not promptly posted to the accounting records and disbursed to victims in a timely manner. Bad check fees were not always disbursed to the County Treasurer in a timely manner. Although the Prosecuting Attorney's office

has a list of restitution owed to the office, the list is not accurate or up to date. In addition, it appears some cases are not reviewed timely.

Disbursements

On December 31, 2009, the county paid Associate Commissioner Moyers mileage reimbursement in the amount of $10,608 without adequate documentation supporting the claim. In addition, monitoring of cellular phone use is not sufficient.

Public Administrator's Fees

The Public Administrator does not maintain documentation to support fees charged. As a result, there is less assurance estates are handled equitably or fees are properly calculated.

Handicapped Board Payments

Amounts paid to two not for profit entities (NFPs) in excess of approved contract amounts may represent a violation of the Missouri Constitution. During the August 2009 meeting, the Handicapped Board made the decision to pay $28,200 received from the state to the two NFPs to distribute equally to their employees. There was no support to indicate the services provided for the additional monies and the payments were not supported by a contract.

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Washington County
Table of Contents

SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Washington County

We have audited certain operations of Washington County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Washington County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. 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 operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We 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 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

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.

The accompanying Management Advisory Report presents our findings arising from our audit of Washington County.

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Julie M. Moore, MBA
Audit Staff:	Ashley Lee, MBA
	Kelli Oldham

1. Financial Condition and Indebtedness

The financial condition of the county is poor and needs to be addressed. In addition, county records and management of debt are insufficient.

1.1 General Revenue Fund financial condition

The financial condition of the General Revenue Fund is poor. The following table reflects the ending cash balances of the General Revenue Fund for the 3 years ended December 31, 2009, as well as the anticipated balance for the year ended December 31, 2010, per the 2010 approved budget:

		General Revenue Fund
Cash Balance, December 31, 2007	$	81,731
Cash Balance, December 31, 2008		24,479
Cash Balance, December 31, 2009		14,640
Projected Ending Cash Balance, December 31, 2010		30,870

Disbursements of the General Revenue Fund have exceeded receipts in 3 of the last 4 years. The county cannot continue to spend more than it receives in the General Revenue Fund. The poor financial condition of the General Revenue Fund is due in part to large transfers to the Sheriff's Law Enforcement Fund to subsidize operations of the Sheriff's office and jail.

In addition, the county has a significant amount of debt and has had difficulty making required payments when due. The county's General Revenue Fund had a loan payable totaling $350,000 at December 31, 2009.

In October 2007, the county entered into a $300,000 loan to cover general operating expenses with a maturity date of January 2008. During 2008, the county amended the loan agreement twice to extend the maturity date and made a $50,000 payment. In December 2008, the county repaid this loan and entered into a new loan for $400,000 with a maturity date of April 2009. The loan was not paid in April 2009, and in May 2009, the bank requested payment in full. The county obtained another loan of $350,000 from a different bank, and applied the proceeds of this loan plus $50,000 to pay off the $400,000 loan in June 2009.

Although the balance due on the bank loan was $350,000 at December 31, 2009, the county budgeted to repay only $120,000 during 2010. The county plans to repay $10,000 per month plus interest and therefore, it appears it will take approximately 3 years to repay this loan.

Concerns with the county's budgetary practices may also contribute to the county's financial condition as noted in prior audit reports. The County Clerk and Treasurer generate budget to actual reports; however, the county's procedures for monitoring these reports have apparently not been effective and actual disbursements exceeded budgeted disbursements in several funds. Failure to monitor budget to actual data may negatively affect the county's financial condition.

The County Commission indicated it is aware of the county's poor financial condition, but has not developed a plan to address the issue. It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

1.2 Road and bridge lease purchase agreements

The county does not maintain a schedule of all road and bridge lease purchase agreements, scheduled payments, and outstanding balances. In addition, the county did not budget for all 2009 lease purchase payments. As a result, the county had to refinance two motor graders in September 2009, because sufficient funds were not available to make the payment due.

The county had lease purchase agreements for 19 pieces of road and bridge equipment including tractors, graders, boom mowers, and spreaders with a total due of approximately $785,000 at December 31, 2009. The cash balance of the county's Special Road and Bridge Fund was $300,617 at December 31, 2009. While there are payment schedules for each lease purchase agreement, these schedules are not used during budget planning. According to the County Commission, funds were not in place to make two motor grader payments because the required payments were unintentionally not budgeted. The county had to refinance the equipment and incurred additional interest expense of $12,506.

Due to the numerous lease-purchase agreements, maintaining adequate records of payments and payables is necessary to ensure the County Commission is informed of the Special Road and Bridge Fund obligations, assist in planning for upcoming disbursements, and ensure all payments are made in a timely manner.

Recommendations

The County Commission:

1.1 Closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund and make payments when required. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. In addition, the County Commission and other county officials should review budget to actual reports carefully and refrain from approving disbursements in excess of budgeted amounts.

1.2 Maintain comprehensive records of lease agreements and amounts due and ensure obligations are properly budgeted.

Auditee's Response

The County Commission provided the following responses:

1.1 We will strive to maintain disbursements within the budgeted amounts. If we are going to go over budget, we will amend the budget prior to overspending. We are making payments of $10,000 a month plus interest as agreed upon with the bank. We will closely monitor the financial condition and strive to pay off the debt and improve the financial condition.

1.2 We have already established procedures to maintain comprehensive records of lease agreements, and strive to ensure obligations are properly budgeted.

2. Sheriff's Office Controls and Procedures

Accounting controls and procedures in the Sheriff's office are in need of improvement. The Sheriff's office received monies for civil and criminal process fees, conceal carry permits, bonds, and other miscellaneous receipts totaling approximately $97,000 and $67,000 during the years ended December 31, 2009 and 2008, respectively.

2.1 Segregation of duties

As noted in our prior report, the duties of receiving, recording, depositing, and disbursing monies, and reconciling the general account are not adequately segregated. The Office Manager performs all these duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

2.2 Paper service receipts

Receipt slips are not issued immediately upon receipt, checks are not restrictively endorsed immediately upon receipt, receipts are not always kept in a secure location until deposited, and receipts are not deposited timely and intact. Per the Office Manager, receipt slips are issued and receipts are deposited when the paper service has been processed and entered into the computer system and checks are endorsed when deposited. A February 25, 2010, cash count identified 40 undeposited checks for court paper service fees totaling approximately $1,700. Receipt slips had not been issued for 13 of the 40 paper service fees and none of the checks were endorsed. The checks were attached to related court documents and stored in various unsecure locations throughout the office.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be maintained in a secure location until deposited and the number of individuals with access to the funds should be limited, receipt slips should be issued immediately upon collection of monies, deposits should be made intact on a timely basis, and checks should be endorsed immediately upon receipt.

2.3 Inactive bank accounts

The Sheriff's office has four old inactive bank accounts including the dog tracking account ($28), the old inmate commissary account ($780), the evidence account ($29,775), and the asset forfeiture account ($1,460).

The Sheriff's office does not have a list of liabilities for the old inmate commissary account and there is no documentation to identify the cases related to the evidence and asset forfeiture accounts.

Maintaining old inactive accounts increases the risk of theft or misuse of funds. The Sheriff's office should attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

2.4 Accrued case costs

Adequate procedures have not been established to ensure all accrued costs are identified and pursued. The Sheriff's office receives fees and mileage for serving civil papers. A bill is completed for all papers served. While a copy of the bill is maintained in the Sheriff's office, a list of accrued costs is not maintained and there are no procedures in place to monitor and follow-up on these costs to ensure payment is properly received for the services billed. By not monitoring accrued costs, these costs could remain uncollected and result in lost revenue.

2.5 Civil mileage

The Sheriff uses a mileage rate schedule by location to determine the amount to charge for mileage; however, the standard charge is unreasonable for some locations. This results in both under and over charges. For example, the Sheriff charges $20 for serving a paper in Steelville although based on actual mileage the charge should be $40. Section 57.280, RSMo, states that the Sheriff shall be entitled to receive mileage for each mile actually traveled serving papers.

2.6 Cops for Kids

Adequate documentation is not maintained for receipts and disbursements for the Cops for Kids bank account. The Sheriff's office holds fundraisers, and sells pizza to the inmates to raise money for Cops for Kids. Cops for Kids is an organization run by the Sheriff's office that selects 20 under privileged children at the end of the year to take Christmas shopping.

No receipt slips are issued for this account or other record of receipts maintained, and invoices are not retained. In addition, on December 19, 2009, the Jail Administrator wrote a check to herself for $300 and no documentation was maintained to support the check. The Jail Administrator indicated the check was a reimbursement for $300 of her personal cash deposited into the Cops for Kids bank account to cover some expenditures until an anticipated donation was received. No documentation of the $300 cash received was maintained.

All receipts should be recorded when received and disbursements should be supported by paid receipts or vendor invoices to ensure the obligation was actually incurred and disbursements are appropriate.

2.7 Sheriff's Revolving Fund

Disbursements from the Sheriff's Revolving Fund are not in compliance with state law. The county transferred $12,426 from the Sheriff's Revolving Fund to the Sheriff's Law Enforcement Fund on December 31, 2009 for health insurance for employees of the Sheriff's office. In addition, the Sheriff purchased a Ford Explorer out of the Sheriff's Revolving Fund in the amount of $1,600 on February 27, 2009. Per Section 50.535, RSMo, Sheriff's Revolving Fund monies are to be used for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of equipment, training, fingerprinting and background checks, and employment of additional personnel.

Recommendations

The Sheriff:

2.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.

2.2 Issue receipt slips immediately upon collection of monies, deposit all monies intact on a timely basis, and maintain monies in a secure location until deposited. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.

2.3 Attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

2.4 Establish procedures to routinely follow-up and pursue collection of accrued costs.

2.5 Ensure mileage fees are charged in accordance with state statute.

2.6 Maintain documentation for all receipts and disbursements for the Cops for Kids program.

2.7 And the County Commission ensure monies in the Sheriff's Revolving Fund are spent in accordance with state statute.

Auditee's Response

The Sheriff provided the following responses:

2.1 I am now supervising all accounting duties and reviewing and documenting the review of all bank reconciliations monthly.

2.2 We now issue receipt slips and endorse checks immediately upon receipt. In addition, monies are maintained in a secure location and deposits are made daily.

2.3 We are currently reviewing these accounts and attempting to determine how these monies are to be disbursed. In addition, we have changed the evidence account to be a non-interest bearing account.

2.4 Beginning February 2010, we have a new software system that allows us to more efficiently track and follow-up on accrued costs.

2.5 We have implemented new procedures regarding mileage fees and we now charge mileage in accordance with state statute.

2.6 This has been separated from the Sheriff's office. It is now handled by a not for profit organization.

2.7 We are currently complying with the statute.

The County Commission provided the following response:

2.7 We will ensure that these monies are disbursed in accordance with state statute.

3. Sheriff's Inmate and Commissary Procedures

Records and procedures over inmate commissary monies are in need of improvement. The Sheriff operates a jail that holds an average of 35 inmates on a daily basis. The Sheriff's office uses a computer program to maintain records of inmate monies received, commissary purchases made, and available cash balances. Deposits to the inmate commissary bank account totaled approximately $39,400 and $36,700, during the years ended December 31, 2009 and 2008, respectively.

3.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies; and reconciling the inmate commissary account are not adequately segregated. The Jail Administrator performs all duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

3.2 Commissary profits

Profits from the inmate commissary are disbursed monthly from the inmate commissary bank account to the commission bank account, which is held by the Sheriff's office. The profits are used to purchase items for the jail. Profits from the inmate commissary represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.

3.3 Liabilities

Procedures are not in place to identify month-end liabilities and reconcile liabilities to the inmate commissary account. At our request, the Sheriff's office prepared a liabilities list as of January 31, 2010, and attempted to agree the list to the reconciled balance. This comparison revealed unidentified monies of $1,428 in the account.

Complete and accurate lists of liabilities should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Further, the Sheriff's department should attempt to determine the reasons for the difference, and if proper disposition of the unidentified monies cannot be determined, the monies should be disposed of in accordance with state law.

3.4 Accounting records

The Sheriff's office does not maintain documentation to support deductions from inmate account balances. Twice a week, inmates complete a commissary purchase order form. The orders are placed electronically with an outside vendor. The Jail Administrator deducts the amount of the purchase from each inmate's account and delivers the items to the inmates. A receipt is signed by the inmate to document the items received, but neither the receipt nor the purchase order form are maintained by the Sheriff's office to support the deduction from the inmate's account.

Retention of records is necessary to ensure the validity of transactions, provide an audit trail, and account for all monies.

3.5 Booking fees

A $10 booking fee is collected from inmates at the time of incarceration and deposited into the inmate commissary bank account. Booking fees are turned over to the County Treasurer monthly. According to Attorney General's Opinion No. 124, 2009 to George, there is no express statutory authority for the Sheriff to charge a booking fee. Based upon records maintained by the Jail Administrator, booking fees of approximately $3,400 were collected.

Similar conditions previously reported

Similar conditions to points 3.1 and 3.3 were noted in our prior audit report.

Recommendations

The Sheriff:

3.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.

3.2 Remit all fees collected to the county treasury monthly and make all purchases through the county's normal disbursement process.

3.3 Ensure monthly lists of liabilities are prepared and reconciled to the balance in the inmate commissary account. Differences should be investigated and resolved.

3.4 Retain documentation to support deductions from inmate balances.

3.5 Refrain from collecting booking fees in the future.

Auditee's Response

The Sheriff provided the following responses:

3.1 I am now supervising all accounting duties and reviewing and documenting the review of all bank reconciliations monthly.

3.2 By the end of August 2010, I will turn the balance of the commission bank account over to the County Treasurer to be deposited into the Sheriff's Law Enforcement Fund. In addition, we will continue to turn these profits over every month.

3.3 We are currently reconciling liabilities to the account and investigating the differences.

3.4 We have already started maintaining documentation of all deductions.

3.5 We have discontinued collecting booking fees.

4. Prosecuting Attorney's Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collects bad check restitution and fees, delinquent taxes, and court-ordered restitution. The Prosecuting Attorney only accepts receipts in the form of money orders and checks if preapproved. He does not maintain a bank account and turns monies over to the victims and the County Treasurer directly.

4.1 Receipt procedures

Receipt slips are not issued for some monies received. The Prosecuting Attorney's office does not issue receipt slips for bad check restitution or delinquent tax collections. In addition, receipts are not promptly posted to the accounting records and disbursed to victims in a timely manner. A February 18, 2010, cash count identified receipts totaling $15,932 on hand which had not been posted to the accounting records, including some money orders dated in September 2009.

The lack of proper receipting and recordkeeping procedures reduces assurance that all monies are properly handled. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be issued for all monies received and receipts should be recorded and disbursed timely.

4.2 Bad check fees

Bad check fees were not always disbursed to the County Treasurer in a timely manner. The Prosecuting Attorney did not transmit fees to the County Treasurer during the period July 28, 2009, through February 22, 2010. Section 50.370, RSMo, requires county officials to pay monies received for official services to the County Treasurer monthly.

4.3 Delinquent costs

Although the Prosecuting Attorney's office has a list of restitution owed to the office, the list is not accurate or up to date. In addition, according to the list, cases are not reviewed timely. It appears some cases on the Prosecuting Attorney's restitution list had not been reviewed since September 2000. Personnel of the Prosecuting Attorney's office indicated the list is not always updated when a case is reviewed. Our review identified one case where total restitution ordered was $5,000; however, the Prosecuting Attorney's restitution list indicated $43,250 was due on this case.

The Prosecuting Attorney should review the status of all old cases, and if all payments have not been received, collection of outstanding amounts should be pursued. By not adequately monitoring amounts due, the monies could remain uncollected and result in lost revenue to the county in the form of bad check fees, and the loss of restitution to victims. A complete and accurate list would allow the Prosecuting Attorney to more easily review the amounts due and take appropriate steps to ensure amounts are collected on a timely basis.

Similar conditions previously reported

Similar conditions to points 4.1 and 4.2 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

4.1 Ensure receipt slips are issued for all monies received and monies are recorded and disbursed to the victims timely.

4.2 Disburse all fees monthly to the County Treasurer.

4.3 Ensure the list of restitution owed is accurate and up to date and review cases on the list in a timely manner.

Auditee's Response

The Prosecuting Attorney provided the following responses:

4.1&
4.2 *Effective immediately, numerical receipt slips will be issued for all monies received. An attempt will be made to turn over monies to the county and disburse monies to the victims weekly.*

4.3 *The Prosecuting Attorney's office will investigate software options for automated accounting for payments for restitution and bad checks.*

5. Disbursements

Adequate supporting documentation was not provided for a mileage reimbursement payment of $10,608 to Associate Commissioner Moyers. County personnel do not regularly review cellular phone use or take the necessary steps to reduce costs.

5.1 Associate Commissioner mileage

On December 31, 2009, the county paid Associate Commissioner Moyers mileage reimbursement in the amount of $10,608 without adequate documentation supporting the claim. The Associate Commissioner turned in a request for reimbursement showing 23,315 miles driven for the time period March 2008 through September 2009. The request pertained to two separate budget periods and multiple county mileage reimbursement rates were in effect during this time period. The Associate Commissioner indicated he calculated the mileage reimbursement using the lowest mileage rate of the time period and that he maintains detailed mileage records at his home. We requested these records and received them at the exit meeting. Although odometer readings and total miles driven are indicated for each day, there is no documentation of the purpose of the mileage. In addition, we noted mileage was claimed on various holidays when the courthouse was closed.

To ensure reimbursement requests are reasonable and represent valid disbursements, the county should require specific information be included on mileage reimbursement requests, such as dates, total miles driven, destinations, and a clearly documented purpose of official county business.

5.2 Controls over cellular telephones

Monitoring of cellular phone use is not sufficient. The county paid $12,900 in cellular phone charges for 20 phones during the year ended December 31, 2009. A review of December 2009 invoices identified various concerns:

- Use of county cellular phones was not regularly reviewed, leading to unnecessary costs. For example, one phone had over 11,500 rollover minutes due to the purchase of an excessive minutes package. Another phone was charged with 391 text messages resulting in text message charges of $78, in addition to the phone plan charge, resulting in a bill of $193. The employee's supervisor could provide no explanation for this much text messaging. Costs could have been reduced by regularly reviewing use and adjusting plans accordingly.

- The county pays 50 percent of the County Coroner's cellular phone plan amount each month and pays 100 percent of the Public Administrator's total cellular phone bill each month. However, the county has no supporting documentation to indicate that these reimbursement amounts and percentages are reasonable.

To ensure the efficient and effective use of cellular phones, county officials should routinely monitor cellular phone use patterns and ensure the most cost-effective plan is used. Also, criteria and reasons for percentage of billings paid should be developed.

Recommendations

The County Commission:

5.1 Require adequate documentation for all mileage reimbursements.

5.2 Ensure cellular phone use is properly monitored and invoice review procedures improved. In addition, support for percentages of billing paid should be developed.

Auditee's Response

The County Commission provided the following responses:

5.1 In the future, we will require adequate documentation before any mileage reimbursements are paid.

5.2 We will closely monitor the invoices and will establish procedures regarding cell phones.

6. Public Administrator's Fees

The Public Administrator does not maintain documentation to support fees charged. As a result, there is less assurance estates are handled equitably or fees are properly calculated. Public Administrator fees totaled $47,892 and $56,358 in 2009 and 2008, respectively.

The Public Administrator indicated fees are charged based on the amount of time she spends on each case. However, the Public Administrator does not maintain time records or other documentation showing how fees are calculated; and documentation is not provided to the court to support requested fees. The Associate Circuit Judge indicated he will approve fees up to 7 percent of case receipts and disbursements for the year and requires the Public Administrator to file an affidavit to support any additional fees requested.

Without support and documentation of how fees are calculated, the Probate Court has no assurance amounts paid represent valid claims against cases.

Recommendation

The Public Administrator prepare time records or other documentation to support fee requests submitted for court approval.

Auditee's Response

The Public Administrator provided the following response:

The fees that I claim are less than 7 percent of receipts and 7 percent of disbursements as allowed by the judge. It would be too time consuming to document the time I spend on each estate.

7. Handicapped Board Payments

Amounts paid to two not for profit entities (NFPs) in excess of approved contract amounts, may represent a violation of the Missouri Constitution. During the August 2009 meeting, the Handicapped Board made the decision to pay $28,200 received from the state to the two NFPs to distribute equally to their employees. There was no support to indicate the services provided for the additional monies and the payments were not supported by a contract.

Article III, Section 39 of the Missouri Constitution prohibits the granting of any extra compensation, fee, or allowance to a contractor for services already rendered.

Recommendation

The Handicapped Board should ensure all payments made to the NFPs are adequately supported and in accordance with contract terms and state law.

Auditee's Response

The Washington County Board for the Handicapped Chairperson, Treasurer, and Director provided the following written response:

Washington County Board for the Handicapped viewed the Federal Medicaid Assistance Program (FMAP) monies as being non-tax levy dollars, understood as federal dollars intended to stimulate the local economy. The Board felt the use of these dollars would be maximized by giving them to residents of Washington County who work to support individuals with developmental disabilities. These workers are paid at a rate that many times results in them being classified as low to median income. Giving the money to supplement their hourly pay was the best way, in the Board's opinion to stimulate the local economy and encourage lower staff turnover.

Washington County
Organization and Statistical Information

Washington County is a county-organized, third-class county and is part of the Twenty-Fourth Judicial Circuit. The county seat is Potosi.

Washington 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.

Elected Officials and Their Compensation Paid

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

Officeholder	2010	2009
Robert Reed, Presiding Commissioner	$	29,390
Todd Moyers, Associate Commissioner		27,390
Randy O'Neail, Associate Commissioner		27,390
Judy Cresswell Moyers, Recorder of Deeds		41,500
Janet Adams, County Clerk		41,500
John D. Rupp Jr., Prosecuting Attorney		109,366
Andy Skiles, Sheriff		46,000
Betty Abbey, County Treasurer		41,500
Brian DeClue, County Coroner		14,000
Janet Drummond, Public Administrator (1)		47,892
Michael P. McGirl, County Collector, year ended February 28	41,500	
Charlotte Boyer, County Assessor, year ended August 31,		41,500
R. Timothy Daugherty, County Surveyor (1)		

(1) Compensation on a fee basis.

Financing Arrangements

The county obtained a loan from its depositary bank in June 2009 in the amount of $350,000 to finance operations of the General Revenue Fund. As of December 31, 2009, no principal payments had been made on the loan.

As of December 31, 2009, the county had 13 outstanding lease-purchase agreements for 19 road and bridge equipment items, (including tractors, graders, boom mowers, spreaders and other), 6 Sheriff's department vehicles, thermal image cameras, and a Prosecuting Attorney's vehicle. Payment on these lease-purchase agreements will be made from the General Revenue Fund, the Road and Bridge Fund, and the Sheriff's Law

Enforcement Fund. The remaining principal and interest due on the leases at December 31, 2009, was $872,567.