

**2014**  
**State Auditor Recommendations**  
**Exactly as contained in State Audit dated July 2014**

**1. County Disbursements:**

**1.1 Property Tax System**

Recommendation(s): 1.1 The County Commission – Monitor contracts for compliance, ensure satisfactory progress made by contractors prior to payment, and ensure change orders are prepared and submitted for its review and approval prior to completion of the related work.

**1.1 In Compliance**

This recommendation was implemented during 2013. The County Commission has established a review policy and will monitor all contracts for compliance, including progress of contractors' prior payment, and ensure change orders are scrutinized and approved.

**1.2 Road project overpayment**

Recommendation(s): 1.2 The County Commission - Adequately review disbursement documentation to ensure compliance with contract terms. Also, the County Commission should work with the vendor to obtain reimbursement for the \$20,825.00 overpayment.

**1.2 In Compliance**

The County Commission currently reviews all disbursement documentation and also scrutinizes any projects overseen by engineers including all grant work and administration. The county has obtained 100% reimbursement for the \$20,825.00 overpayment made to a contractor. (which had been overseen by an engineering firm).

**1.3 Printers**

Recommendation(s): 1.3 The County Commission - Maintain documentation of state bids, contracts, and their selection process and criteria to ensure compliance with state law and to support decisions made. Also, the County Commission should ensure all purchases are properly approved and documented.

**1.3 In Compliance**

This recommendation was implemented in 2013. The County Commission has ensured that all purchases through state bids are fully documented.

**1.4 Legal Services**

Recommendation(s): 1.4 The County Commission – Solicit proposals for legal services and enter into written contracts defining services provided and benefits received. Also, the County Commission should work with the County Collector to ensure future legal services are appropriately obtained by state law.

**1.4 In Compliance**

This recommendation was implemented in 2013. Contracts for all legal services are currently bound with written agreements.

The County Collector has been advised by the County Commission through legal counsel that she must discontinue the practice of signing agreements with attorneys for legal services regarding county matters, as she has no statutory ability to do so.

- The County Collector

## **2. County Sales Tax:**

### **2.1 Capital improvement sales tax and allocations**

Recommendation(s): 2.1 The County Commission – Ensure monies from capital improvement sales tax are deposited in a special fund and used solely for the designated purpose.

#### **2.1**

The County Commission will address and implement this recommendation during the 2015 county budgetary process.

### **2.2 Property tax levy reductions**

Recommendation(s): 2.2 The County Commission – Work with the County Clerk to properly calculate and report property tax reductions (sales tax or voluntary).

#### **2.2**

The County Commission has relied upon the County Clerk's calculations for the establishment of levies as provided in prior years, and has accepted same on annual basis. These calculations have been found by the State Auditor to be in error. As a result the County Commission will work with the State Auditor's Office on an annual basis to ensure that the County Clerk's calculations are accurate for all future years.

It should be noted that the County Commission has established the county levies at zero annually.

- The County Clerk

### **3. County Budgeting and Planning:**

#### **3.1 Sales tax monies and debt payment**

Recommendation(s): 3.1 The County Commission – Adequately plan for the timing of large disbursements, such as the judicial center COP payment during the budget process. The County Commission should consider sewer and law enforcement facility needs periodically and determine if establishing a percentage to be used for each purpose is appropriate, and the sales tax monies should be deposited into appropriate funds, rather than being transferred at a later date to cover related expenses.

#### **3.1 In Compliance**

This recommendation was implemented during the 2014 budgetary process.

#### **3.2 Budgetary practices**

Recommendation(s): 3.2 The County Commission - Ensure budget estimated for receipts and disbursements are based on actual expected occurrences.

#### **3.2**

The County Commission will address and implement this recommendation during the 2015 budgetary process.

#### **3.3 Budget review**

Recommendation(s): 3.3 The County Commission – Ensure the county budget is accurate and complete.

#### **3.3**

The County Commission has relied upon figures provided through the County Auditor's Office for the development of each annual budget and the depiction of expenditures and revenues through each completed budget document. These figures have been found by the State Auditor to be in error. As a result the County Commission will install budgetary software within the commission offices in order to provide a checks and balances system to monitor all budgetary issues.

- County Auditor

#### **3.4 Sewer sales tax**

Recommendation(s): 3.4 The County Commission – Approve a reasonable estimate of disbursements in the Sewer Fund budget, prepare a long-term plan for the use of the funds, and consider using the excess accumulated cash reserves to pay off the bonded indebtedness early.

#### **3.4 In Compliance**

An estimated three year expenditure plan has been put into place by the Regional Sewer District. The County Commission has reduced all allowable outstanding debt.

#### **4. County Procedures:**

##### **4.1 Reconciliation procedures**

Recommendation(s) 4.1: The County Commission – Ensure the County Treasurer and County Auditor reconcile the annual settlement to the county budget and promptly investigate any differences.

**4.1**

The County Commission will address this recommendation during 2014 when updates to existing management software is installed.

**4.1**

The computer error has been corrected and beginning balances are checked during each month end balancing to ensure that they have not changed.

- County Treasurer

##### **4.2 Credit cards**

Recommendation(s) 4.2 The County Commission – Evaluate the need for each credit card issued and establish appropriate individual transaction limits.

**4.2**

This issue will be addressed during 2014.

##### **4.3 Vehicle and fuel use**

Recommendation(s) 4.3: The County Commission – Establish adequate records and procedures to effectively monitor vehicle and fuel use by requiring mileage and fuel usage logs for all vehicles and equipment, reconciling fuel used to fuel purchases, and promptly investigating any significant discrepancies.

**4.3**

This issue will be addressed during 2014.

## 5. Property tax system:

### 5.1 Utility tax distributions

Recommendation(s) 5.1: The County Collector and County Auditor ensure future utility tax distributions are computed properly and reviewed for accuracy.

#### 5.1

The State Auditor has identified that the County Collector did not correctly distribute utility taxes to various school districts for the years 2001 through 2010. The State Auditor has also found that the County Auditor did not audit these distributions during the same 10 year period. The State Auditor has charged the County Commission with the responsibility of ensuring that future tax distributions are computed properly. The County Commission will monitor County Collector distributions of utility taxes to schools and will request updates on a regular basis from the County Auditor regarding his reconciliation of said distributions.

- The County Auditor
- The County Collector

### 5.2 Account book

Recommendation(s) 5.2: The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the of the County Collector's annual settlements.

#### 5.2

The State Auditor has found that the County Clerk does not maintain an account book with the County Collector as provided within Missouri law. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected. The State Auditor has charged the County Commission with the oversight responsibility of ensuring that said account book to be maintained by the County Clerk is accurate and complete. The County Commission will fulfill State Auditor's recommendation once the County Clerk creates stated account book. If the County Clerk doesn't create and maintain an account book as recommended by the State Auditor, the County Commission will consider working with an outside agency

- The County Clerk

### 5.3 Delinquent taxes

Recommendation(s) 5.3: The County Commission and the County Clerk should verify the accuracy of the delinquent tax books prior to charging the County Collector with the property tax amounts.

#### 5.3

The County Commission will address this issue during the 2014 taxation season. The account book to be set up by the County Clerk as per recommendation of the State Auditor will be instrumental in successful implementation of this recommendation.

- The County Clerk

### 5.4 Tax book changes

Recommendation(s) 5.4: The County Commission and County Clerk review and approve personal property tax additions and personal property taxes outlawed.

#### 5.4 In Compliance

### 5.5 Fire district taxes

Recommendation(s) 5.5: The County Commission ensure remedial taxes are levied in accordance with Taney County Circuit Court's judgment. In addition, the County Clerk should review all changes made to the property tax system by the County Assessor and recalculate total tax charged to each taxing district to ensure tax books are accurate.

#### 5.5 In Compliance

- County Commission

## 6. Assessment Fund Reimbursements:

Recommendation(s): The County Commission, County Assessor and all assessing officials continue to work with STC to correct assessment noncompliance so that the county is eligible for full assessment reimbursements.

### 6.1

This issue will be discussed during 2014

## **7. Payroll and Personal Issues:**

### **7.1 Timesheets**

Recommendation(s) 7.1: The County Commission – Require the Information Systems Director and the Emergency Management Director to submit timesheets.

#### **7.1**

This recommendation will be addressed during 2014

### **7.2 Background checks**

Recommendation(s) 7.2: The County Commission – Ensure complete periodic background checks are performed on employees who have access to sensitive information.

#### **7.2 In Compliance**

## 8. Sheriff Seized Property and Evidence:

Recommendation(s): The Sheriff ensure a complete and accurate seized cash and property inventory record is maintained and a periodic physical inventory is conducted and reconciled to the records, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property.

### 8.1 Evidence

All seized cash that can be returned through disposition of the case has been returned. Cases that they state were not filed or had been dismissed still have federal holds on them so cannot be released. Registered letters were sent to defendants that we could not contact by phone. They were given a specific period of time to respond. Those that did not respond had their property turned over to the State of Missouri.

All unclaimed property that has been release by the courts has been disposed of according to the court order.

A complete and accurate seized property and evidence inventory is in place. We will be auditing the evidence and re-entering all property into our new property management system starting Jan. 1, 2015.

- County Sheriff



## 9. Sheriff Controls and Procedures:

### 9.1 Segregation of duties

Recommendation(s) 9.1: The Sheriff – Segregate accounting duties to the extent possible or ensure adequate independent or supervisory reviews of accounting and bank records as performed and documented.

#### 9.1 Segregation of Duties

Refer to page 34.

These segregation duties were set up In 2002 by the State auditors office and were still being used. According to the auditor these were now not acceptable methods because our two secretaries now use the same office. The Chief Deputy now performs a review on these reconciliations.

- County Sheriff

### 9.2 Receipting and depositing

Recommendation(s) 9.2: The Sheriff – Issue official renumbered receipt slips for all monies received, record the method of payment, account for numerical sequence of receipt slips and transaction numbers, deposit monies timely, and maintain supporting documentation of monies transmitted to other entities. The Sheriff should also issue renumbered bond forms and account for the numerical sequence of bond forms.

#### 9.2 Receipting and depositing

Pre-numbered receipt books were implemented in May 2013. Since then pre-numbered receipts indicating the method of payment have been issued for all transactions. As for the numerical sequence of transaction numbers assigned by the computer program we have no control over that, however, these numbers can be matched to receipts with a name and complete transaction information in the system. This will be corrected with our new records management system on Jan 1, 2015. A pre-numbered bond receipt book has been implemented in the jail for all cash bonds. Copies of all receipts, including Voided receipts, are retained and the numerical sequence of receipt slips are now being accounted for. Pre-numbered bond forms are now being used so they can be matched to the receipt and accounted for.

Cash bonds are picked up by the records clerk from a locked bond box and the money is counted by the clerk and jail personnel. A copy of the receipt is dated and Initialed by each of them. While the records clerk is not always available, all bonds are deposited on the day they are picked up from the locked drop box.

Money orders or cashier's checks made out to courts other than Taney County cannot be deposited into the Sheriffs bond account. We now indicate on the bond receipt slip the date these bonds are mailed to the applicable court.

- County Sheriff

## **10. Sheriff Commissary Records and Procedures:**

### **10.1 Segregation of duties**

Recommendation(s) 10.1: The Sheriff – Segregate accounting duties to the extent possible or ensure documented independent or supervisory reviews of accounting and bank records are performed.

#### **10.1 Segregation of duties**

Bank reconciliations were being done by two people. I have added the Chief Deputy as a third to perform these duties. These people are to clearly document who prepares and reviews bank reconciliations on bank statements.

The administrative assistant has been removed from the jail area and is now assigned to the extradition office under the supervision of the extradition Sgt. and Chief Deputy.

- County Sheriff

### **10.2 Inmate deposits and refunds**

Recommendation(s) 10.2: The Sheriff – Deposit inmate monies timely, and ensure documentation of inmate refunds made include a signature from the inmate and applicable Sheriff's office employee.

#### **10.2 Inmate deposits and refunds**

A kiosk has been placed into the booking so that inmates can deposit their money into this machine. The machine counts the money and issues a receipt to the inmate, deposits the money, and records the deposit on the inmate account. All funds are deposited immediately.

- County Sheriff

### **10.3 Bank reconciliations and liabilities**

Recommendation(s) 10.3: The Sheriff – Prepare monthly bank reconciliations and lists of liabilities for all accounts, compare liabilities to the available cash balances, and promptly investigate and resolve differences. The Sheriff should ensure all existing and future commissary profits are deposited to Inmate Prisoner Detainee Security Fund. The Sheriff should dispose of old outstanding checks in accordance with state law and correct recording errors in a timely manner.

#### **10.3 Bank reconciliations and liabilities**

Monthly bank reconciliations and list of liabilities for all accounts are performed. We compare liabilities to the available cash balances. All differences were investigated and resolved with no money missing. Balances in excess of \$10,000 in the commissary account will be transferred monthly to the Inmate Prisoner Detainee Security Fund. Old outstanding checks have been disposed of in accordance with State law.

- County Sheriff

### **10.4 Inmate telephone card protection and controls**

Recommendation(s) 10.4: Develop records and procedures to adequately account for the purchase and sale of telephone cards. In addition, inventory records of telephone cards should be maintained and reconciled to purchases, sales, and a physical inventory count.

#### **10.4 Inmate telephone card procedures and controls**

We have developed and implemented a form to account for the tracking and inventory of telephone cards which includes conducting a physical count of phone cards on hand.

- County Sheriff

## **11. Public Administrator Controls and Procedures:**

### **11.1 Receipting and depositing**

Recommendation(s) 11.1: The Public Administrator – Maintain a log to document all monies received and due, and properly monitor the receipt of payments owed to wards. In addition, the Public Administrator should discontinue the practice of holding checks. The Public Administrator should also report accurate asset information for wards to the Department of Social Services (DSS), Family Support Division, and contact DSS to determine whether any monies are due to the state. In addition, monies should be deposited timely and checks restrictively endorsed immediately upon receipt.

### **11.2 Mileage reimbursements**

Recommendation(s) 11.2: Provide adequate documentation including sufficient details of locations traveled for all mileage reimbursements.

### **11.3 Computer System Controls**

Recommendation(s) 11.3: Work with the computer software vendor to ensure adequate controls are in place to allow for the proper accountability of all transactions.

I would like to thank the State Audit Committee for their Recommendations and for making my office aware of how the Public Administrator's office can be more efficient in working for the people who are appointed to this office by the Probate Court for their care.

## 11. Public Administrator Controls and Procedures:

### 11.1 Receipting and depositing

There is now a prompt in place to track payments owed and due each month for the ward using the Outlook Calendar. There is a notification in the wards name on my calendar that lets me know when a check is due such as payroll or court ordered maintenance.

Checks are endorsed and deposited daily. All checks are endorsed the day they come into the office. No checks are held unless waiting for an order from the court to proceed with a conservatorship.

There is now a Public Administrator Liaison with Family Support Division who can be contacted regarding asset information for wards to let them know when funds are in excess. When wards are over resource, money is used for things that are needed for their care such as funeral pre-needs, dental appointments, clothing, etc. Any monies that are in excess are forwarded to MO-Healthnet Cost Recovery. All funds are disbursed to keep the wards in compliance with the amount they are allowed to have in their account with Department of Social Services, no monies are held that would interfere with their eligibility to continue services with the Department of Social Services.

### 11.2 Mileage reimbursement

Physical addresses of the facilities that include apartments, nursing homes, residential care, independent living homes, hospitals, county courts in other towns, and city offices, and any other offices where there is business concerning the wards care are documented as locations visited for mileage reimbursement.

## **12. Prosecuting Attorney Controls and Procedures:**

### **12.1 Adjustments and reversals**

Recommendation(s) 12.1: The Prosecuting Attorney - Require supervisory review and approval for all adjustments and reversals.

#### **12.1**

Since the audit was conducted, we have created a paper trail of supervisory review and approval for all adjustments and reversals. Although nearly all adjustments were made with supervisory approval, in the interest of time, such approvals were previously not documented.

- County Prosecuting Attorney

### **12.2 Receipting and recording**

Recommendation(s) 12.2: The Prosecuting Attorney - Record all monies immediately upon receipt, store monies in a secure location, and account for the numerical sequence of receipt numbers.

#### **12.2**

Since the audit was conducted, we have been using pre-numbered paper receipts that provide a numerical sequence of all payments received, in order to account for the numerical sequence of receipt numbers- and, we feel that this has improved our record-keeping in this area. All monies are recorded immediately upon receipt and stored in a secure location until they can be delivered to Melanie Smith, Taney County Treasurer.

- County Prosecuting Attorney

### **12.3 Bank reconciliations and liabilities**

Recommendation(s) 12.3: The Prosecuting Attorney - Prepare accurate and complete bank reconciliations and a list of liabilities monthly, and reconcile the cash balances to the list of liabilities. Any differences should be promptly investigated and resolved.

#### **12.3**

My office no longer maintains the bank accounts reviewed by the auditor. Taney County Treasurer Melanie Smith now has control of these funds, with payment deposits being made and disbursement checks being written from her office. Melanie is doing a marvelous job with these transactions, and it has been a huge relief to our office staff. Melanie also assisted my office in balancing the accounts we had, so that we could get them closed.

- County Prosecuting Attorney

### **12.4 Accounts receivable**

Recommendation(s) 12.4: The Prosecuting Attorney - Maintain an accounts receivable record and establish procedures to monitor and collect accounts receivables. The Prosecuting Attorney should also periodically review case information for accuracy.

#### **12.4**

We have always maintained accounts receivable records, and -since the auditor's report- have been printing reports of such receivables for regular review. In addition, we are already monitoring accounts receivables- for accuracy- more diligently than before the audit, conducting reviews at least once per month, and closing out old accounts.

- County Prosecuting Attorney

### **12.5 Delinquent tax collections**

Recommendation(s) 12.5: The Prosecuting Attorney - Ensure all delinquent taxes collected are transmitted to the DOR timely.

#### **12.5**

Rather than holding payments for the State until such a time that multiple payments can be sent at once, our office- since the audit was conducted- has been transmitting payments to the Department of Revenue much more quickly.

- County Prosecuting Attorney

## 12.6 Computer system controls

Recommendation(s) 12.6: The Prosecuting Attorney - Ensure receipt slips and checks are issued in sequential order and contact the software programmer to add control features that prevent a receipt or a check from being postdated or backdated.

**12.6** Since before the auditor's report, County Treasurer Melanie Smith has controlled these monies and has been issuing checks to crime victims. We have also been utilizing pre-numbered sequential receipts manually, rather than generating receipts through our computer software provider. Therefore, our office is in compliance with the Auditor's recommendations.

- County Prosecuting Attorney

## 12.7 Seized cash

Recommendation(s) 12.7: The Prosecuting Attorney - Make timely and appropriate dispositions of seized property.

**12.7** All forfeited monies mentioned in the Auditor's report have been accounted for, and have been forwarded on. We have created a system by which we regularly inventory the evidence kept in our secure evidence room, accounting for evidence that has been returned to the seizing agencies, and ensuring that forfeited funds are not inadvertently retained. In addition to this monthly inventory of our evidence room, we now regularly review and track the progress of civil forfeiture cases to ensure that we are maintaining a firm grasp on the status of those cases (including which cases have successfully ended in judgments of forfeiture).

- County Prosecuting Attorney

### **13. County Collector Controls and Procedures:**

#### **13.1 Receipting and depositing**

Recommendation(s) 13.1: The County Collector – Implement procedures to account for the numerical sequence of receipt numbers. For partial payments, the County Collector should work with the software programmer to ensure receipt numbers are issued and the method of payment is documented. In addition, the County Collector should reconcile the composition of receipts to the composition of deposits, and make deposits timely.

#### **13.2 Protested tax reconciliations**

Recommendation(s) 13.2: The County Collector – Reconcile the protested taxes list of liabilities to the reconciled bank account balance monthly and promptly investigate any differences. The County Collector should also indentify the source of \$5,984 and distribute as appropriate and in accordance with state law.

## **14. Airport Controls and Procedures:**

### **14.1 Segregation of duties**

Recommendation(s) 14.1: The County Commission – Adequately segregate accounting duties to the extent possible or ensure an adequate independent or supervisory review of accounting and bank records is performed and documented.

#### **14.1**

The County Commission will request the County Auditor to provide State Auditor's recommendations through regular audit of accounting and bank records as recommended. If the County Auditor does not provide stated services the County Commission will consider working with an outside agency to provide auditing needs.

- County Auditor

### **14.2 Receipting**

Recommendation(s) 14.2: The County Commission – Ensure monies are recorded timely and require issuance of receipt slips for all monies received.

#### **14.2**

The County Commission will request the County Auditor to provide State Auditor's recommendations through regular audit of monetary records at the County Airport. If the County Auditor does not provide stated services the County Commission will consider working with an outside agency to provide auditing needs.

- County Auditor -

### **14.3 Lease contracts**

Recommendation(s) 14.3: The County Commission – Periodically update contracts, implement procedures to monitor lease revenues from the car rental company, ensure contracts are signed by someone independent of the contract, and require contracts to be filed with the County Commission.

#### **14.3**

The County Commission will work with the County Airport Board during 2014 to ensure recommendations are implemented.

### **14.4 Fuel reconciliation**

Recommendation(s) 14.4: The County Commission – Ensure fuel purchases are periodically reconciled to fuel sold and significant differences are promptly investigated.

#### **14.4**

The County Commission will work with the County Airport Board during 2014 to ensure recommendations are implemented.



## 15. Transfer Station Controls and Procedures:

### 15.1 Segregation of duties

Recommendation(s) 15.1: The County Commission – Segregate accounting duties to the extent possible or ensure independent or supervisory review of accounting and bank records is performed, and limit administrative access to computer functions.

**15.1** The County Commission will request the County Auditor to provide State Auditor's recommendations through regular audit of accounting and bank records at the Transfer Station. If the County Auditor does not provide stated services the County Commission will consider working with an outside agency to provide auditing needs.

- County Auditor-

### 15.2 Receipting and depositing

Recommendation(s) 15.2: The County Commission – Ensure the numerical sequence of ticket numbers issued is accounted for properly, review the count road and bridge departments for propriety, record the method of payment, and reconcile the composition of receipts to the composition of deposits.

**15.2** The County Commission will request The County Auditor to provide State Auditor's recommendations through regular audit of ticket numbers, recording and reconciliation of receipts. If the County Auditor does not provide stated services the County Commission will consider working with an outside agency to provide auditing needs.

- County Auditor

### 15.3 Credit card reconciliation

Recommendation(s) 15.3: The County Commission – Properly reconcile credit card transactions to deposits in the county's bank account and promptly investigate and differences.

**15.3** The County Commission will request the County Auditor to provide State Auditor's recommendations through regular audit of transactions and deposits. If the County Auditor does not provide stated services The County Commission will consider working with an outside agency to provide auditing needs.

- County Auditor

**15.3** When I became County Treasurer in January 2013, I began printing the credit card statement for the Transfer Station each month. I compare each credit card transaction to each credit card ACH deposit on my bank statement. This check and balance system will allow me to see any debit and/or credit transactions the credit card company performs to our account. If I find a discrepancy between the two, I will address it with the credit card company immediately.

- County Treasurer

### 15.4 Reconciliations

Recommendation(s) 15.4: The County Commission – Ensure monthly reconciliations of amounts billed (ticketed) to amounts collected and delinquent accounts are performed and documented.

**15.4** The County Commission will request the County Auditor to provide State Auditor's recommendations through monthly reconciliations. If the County Auditor does not provide stated services the County Commission will consider working with an outside agency.

- County Auditor

**15.4** The County Commission has approved the purchase of a new billing system in the 2015 budget for the Transfer Station accounts. This system will provide my office a better reporting system to ensure monthly reconciliations, billing, and delinquent account reports.

- County Treasurer

## **16. Sunshine Law:**

Recommendation(s): The County Commission - Ensure specific reasons for closing a meeting are documented, and discuss only allowable topics in closed meetings.

### **16.1 In Compliance**