

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.

4.2 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 County Commission in Compliance

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. 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.

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.

9.2 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.

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.

10.2 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.

10.3 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.

10.4 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.

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.

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.

12.2 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.

12.3 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.

12.4 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.

12.5 Delinquent tax collections

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

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.

12.7 Seized cash

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

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 identify 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.

The 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.

The 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.

The 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.

The 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.

The County Auditor- -

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.

The County Auditor- -

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. In Compliance