



Thomas A. Schweich
Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Monroe County

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<http://auditor.mo.gov>

Monroe County
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THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2011-68, *Monroe County*, issued in September 2011. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the County about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As a part of the AFTER work conducted, we reviewed supporting documentation submitted by county officials, and held discussions with county officials. Documentation provided included the collector's annual settlement, spreadsheets of additions and abatements, listings of levies, and various spreadsheets prepared by the County Clerk to review the property tax information reported by the County Collector. This report is a summary of the results of this follow-up work, which was substantially completed during April 2012.

A handwritten signature in cursive script that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

Monroe County

Follow-Up Report on Prior Audit Findings

Status of Findings

- 1. Property Tax System Controls and Procedures
As similarly noted in our five prior audit reports, controls and procedures over the property tax system needed improvement. As a result of the significant control weaknesses identified, there was less assurance property tax monies were accounted for properly.
- 1.1 Additions and abatements
The County Commission and County Clerk did not perform adequate or timely reviews of property tax additions and abatements. The Assessor prepared court orders for additions and abatements, entered them into the tax system, and gave the court orders to the County Commission at the end of the County Collector's fiscal year. The court orders were not signed by the County Commission and changes were made to the property tax system throughout the year without approval of the County Commission. In addition, the County Clerk did not reconcile the court orders for additions and abatements to actual changes made to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, were not properly monitored and errors or irregularities could go undetected.

Recommendation
The County Commission and Assessor ensure all changes made to the property tax system are supported by court orders approved by the County Commission. In addition, the County Clerk should develop procedures to adequately monitor court orders to ensure only authorized additions and abatements are posted to the property tax system.

Status
Implemented
The County Clerk indicated once a month, the Assessor brings her the court orders for additions and abatements. She stamps and dates each court order and gives it to the County Commission. The Presiding Commissioner signs each court order. The County Collector prepares a spreadsheet of additions and abatements and sends it to the County Clerk. The County Clerk compares each item on the spreadsheet to the court order approved by the County Commission and documents her review. The County Collector indicated she does not have access to enter additions and abatements into the computer system.

1.2 Review of property taxes
Neither the County Commission nor the County Clerk adequately reviewed the activities of the County Collector. The County Clerk did not prepare or verify the accuracy of the current or back tax books for real and personal property. The County Collector entered the tax rates, which were obtained from the County Clerk, and extended and printed the current tax books. The County Collector also prepared the back tax books. The County Clerk indicated she reviewed tax rates after entry by the County Collector, but did not maintain documentation of her reviews. Although the County Clerk maintained an account book based on data provided by the County Collector, she



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did not enter additions and abatelements and therefore could not adequately reconcile with the County Collector's monthly and annual settlements. In addition, the County Commission did not document its review of the County Collector's annual settlements.

Recommendation

The County Clerk prepare the current and back tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with property tax amounts to be collected. Additionally, the County Commission and County Clerk should perform a thorough review of the County Collector's monthly and annual settlements.

Status

Implemented

The County Collector enters the levies into the property tax system. Prior to printing the tax books, the County Collector prints a list of the levies entered for each political subdivision in the county. The County Collector and the County Clerk review the list to ensure the correct levies have been entered and document their review. The County Collector prints the tax books and the County Clerk charges the Collector with the taxes. For the year ended February 28, 2012, the County Clerk maintained account books for current taxes, delinquent taxes, and railroad and utility taxes. She indicated she started with charges per the tax books and entered additions and abatelements from the spreadsheets that are compared to the court orders. The differences noted between the County Clerk's account book and the County Collector's annual settlement were insignificant.