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CITIZENS SUMMARY

Findings in the audit of Reynolds County

County Disbursements	<p>The county does not always solicit competitive proposals or bids for purchases of goods and services. The County Commission did not solicit bids for a multi-phase courthouse interior renovation project that began in 2010. The County Commission did not obtain proposals for legal and property appraisal services and neither the County Commission nor the Sheriff solicited bids for prisoner meals. The county did not enter into written agreements for professional services related to protested property taxes and the prorating of these costs among taxing authorities.</p>
Employee Classification and Salaries	<p>The county did not document the reasons for different classifications of 2 individuals hired to perform courthouse renovations. The county classified one individual as an employee and the other as an independent contractor, although the county required both individuals to furnish their own tools and paid each a fixed hourly rate as established by the County Commission. The Reynolds County Salary Commission has not met since 2009, yet the county increased the salaries of some elected officials starting in 2013 due to an increase in the county's assessed valuation.</p>
Public Administrator Undeposited Checks	<p>The Public Administrator holds checks received on behalf of some wards for extended periods of time before depositing to help wards retain Medicaid eligibility. Additionally, the Public Administrator does not restrictively endorse checks until the deposit is prepared. Our cash count performed on August 25, 2014, noted the Public Administrator held 4 checks totaling \$2,577 for approximately 5 months based upon the check issue dates.</p>
County Collector Controls and Procedures	<p>The County Collector made several errors in the annual settlements filed for the 2 years ended February 28, 2014. The annual settlements did not accurately present current collections and protested property taxes. The County Clerk and County Commission's review of annual settlements is not adequate to detect errors. In September 2014, the County Collector overpaid taxing authorities approximately \$124,000 when distributing protested taxes resolved because she did not deduct amounts previously distributed. Additionally, as of November 2014, the County Collector had not refunded the portion of the resolved protested taxes and interest due to the mining corporation that had protested its taxes. The County Collector does not accurately allocate interest earned on the protested tax account to the individual parcels and, as a result, cannot determine the proper amount of interest to disburse or refund when a protested parcel is settled.</p>
Property Tax Controls	<p>The County Commission does not approve changes to the property tax system for additions, abatements, and outlawed personal property taxes. During the year ended February 28, 2014, additions totaling over \$69,000 and abatements and outlawed taxes totaling over \$21,000 were recorded in the property tax system.</p>

Sheriff Controls and Procedures	The Sheriff does not have proper controls to follow up and ensure the timely collection of amounts billed for civil paper service fees. The Sheriff and Circuit Clerk do not communicate regarding collections of civil paper service fees received. As a result, the Sheriff cannot ensure his office's accounts receivable balances are correct. Controls and procedures over receipting and depositing monies are not sufficient and the Sheriff maintains some monies in the Sheriff's fee account outside the county treasury without statutory authority allowing the Sheriff to do so. The Sheriff's office has not disbursed approximately \$900 held in the fee account to the County Treasurer as of August 31, 2014, and made several purchases from these monies. Additionally, the Sheriff's office has not turned over commissary profits to the county treasury timely.
Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney has not established adequate segregation of accounting duties or review and approval procedures. Additionally, the Prosecuting Attorney has not assessed statutorily required fees from defendants who owe court-ordered restitution and bad check fees collected are not deposited in the correct fund.
County Assessor Controls and Procedures	The County Assessor does not ensure independent or supervisory reviews of the accounting records are performed. In addition, the County Assessor does not reconcile receipts per the manual receipt slips to the manual ledger to ensure all monies are transmitted to the County Treasurer. Additionally, receipt slips are issued from separate receipt slip books and receipt slips are recorded in the manual ledger by date issued instead of numerical sequence, making it difficult to account for the numerical sequence of receipt slips issued.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.