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FOLLOW-UP REPORT ON AUDIT FINDINGS

Taney County



July 2015

Report No. 2015-046

<http://auditor.mo.gov>

Taney County

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Taney County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-047, *Taney County* (rated as Poor), issued in July 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. 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 specific plans to begin, or 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 part of the AFTER work conducted, we reviewed supporting documentation provided by county officials and met with county personnel. Documentation included County Commission meeting minutes, budgets, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during March and April 2015.

Nicole R. Galloway, CPA
State Auditor

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Status of Findings

- 1.1 County Disbursements - The county paid a software vendor \$297,598 for a new property tax system that was not being fully utilized. Our prior audit report issued in 2002, addressed similar concerns regarding the county's handling of the purchase of a new property tax system.
- Property tax system

We noted several problems with the county's contract and payments to the vendor.

- The contract did not include a timeline for implementation of the software modules or a deadline date by which the vendor had to successfully transition the county from the old software system to the new software modules.
- The software vendor sent the county an invoice for \$100,000 prior to the county signing a contract with the vendor. The county paid this invoice after signing the contract.
- The former County Assessor approved the invoices, and the county paid the software vendor the full cost (\$147,000) for the integrated mapping and real property appraisal and personal property appraisal modules in May and October 2011, and February 2012, even though the modules were not being fully utilized and had not been accepted by the county. The contract only required the county to pay 50 percent or \$73,500, 10 days after signing the contract, and the remaining 50 percent upon acceptance.
- One of the contract addendums was signed 24 days before County Commission meeting minutes indicated bids for digital sketches were opened. This software vendor was the only bidder, and this bid was approved by the County Commission. Additionally, the former County Assessor approved the invoices, and the county paid this vendor \$101,923 for the sketches (\$11,081 more than the contract addendum price). There were no change orders to support the additional amount paid.

The county paid the software vendor approximately \$10,000 to keep the older property tax system updated and serviced after signing the new software contract in April 2011.

In September 2013, the County Collector sent a letter to the current software vendor to terminate the tax billing and collection module of the contract because of problems with the module. The county had paid \$20,000 for this module, which was 50 percent of the contract amount of \$40,000. As of April 2014, the current County Assessor was using the integrated mapping and real property appraisal and personal property appraisal modules; however, county officials said they were in the process of bidding out the entire property tax system again and planned to terminate the current agreement when a new system was procured.



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Recommendation

The County Commission monitor contracts for compliance, ensure satisfactory progress is 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.

Status

Partially Implemented

Subsequent to the April 2015 follow up meeting, the Taney County Commission adopted a "Policy For Creation and Payment of Contract Obligations" requiring all contracts to be in writing and fully executed by all parties before any goods or services are provided or payments made. The written policy requires elected officials, department heads, and other responsible county employees to certify that payments requested to be made to a vendor are proper and that all preconditions of payment have been met. The County Commission forwarded notification of the newly adopted policy along with the policy to all elected officials, department heads, and employees responsible for the purchase of goods or services in early May 2015. Compliance with this policy should satisfy the audit recommendation. The County Commission did not provide any documentation other than the new policy regarding how it is monitoring contracts for compliance, ensuring satisfactory progress is made prior to payment, or ensuring change orders are prepared and submitted for its review and approval prior to payment of the related work.

**1.4 County Disbursements -
Legal services**

The County Commission did not obtain proposals for legal services provided by 2 law firms and did not have a written agreement during most of 2012 with one of these law firms. The county paid approximately \$127,000 in legal fees for the year ended December 31, 2012. In addition, the County Collector did not obtain proposals for legal services costing approximately \$10,000 during 2012 relating to a utility tax distribution error and did not have a written agreement with a law firm paid approximately \$4,000 during 2012 providing services on bankruptcy cases. The County Collector maintained a list of law firms considered, but proposals were not obtained. However, neither Chapter 52, RSMo, nor other statutory provisions give a county collector authority to hire an attorney.

Recommendation

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 as provided by state law.

Status

Partially Implemented

The County Commission has not solicited proposals for legal services, but indicated on May 6, 2015, that it will consider submitting requests for qualifications or bid requests when and as needed. The County Commission



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continues to utilize the same 2 law firms, and the County Collector continues to utilize the same law firm for bankruptcy cases but no longer needs the services of the firm which handled the utility tax distribution error issue. The County Commission has entered into written contracts with these law firms, including the firm utilized by the County Collector.

2. County Sales Taxes

County procedures related to road and bridge capital improvement sales tax did not comply with state law, and some disbursement allocations did not have adequate support.

2.1 Capital improvement
sales tax and allocations

In April 2007, county voters renewed a 1/2-cent Capital Improvement Sales Tax (CIST) for the purpose of improvement and construction of roads and bridges to replace a 1/2-cent sales tax that was expiring. This sales tax is set to expire March 31, 2017.

These CIST monies were deposited into the county's Road and Bridge Fund and were commingled with other road and bridge related monies, including restricted monies (e.g., County Aid Road Trust and grant monies). The Road and Bridge Fund was used for all road and bridge related disbursements including operating expenses. The county did not specifically identify or track the use of the CIST monies or the balance of CIST monies within the Road and Bridge Fund. As a result, it was not clear whether the road and bridge capital improvement sales tax monies had been properly utilized.

In addition, the county allocated personnel costs totaling approximately \$99,000 for various employees to the Road and Bridge Fund without adequate supporting documentation.

Recommendation

The County Commission ensure monies received from the capital improvement sales tax are deposited in a special fund and used solely for the designated purpose.

Status

In Progress

At the time of our April 2015 follow up meeting, the County Commission had taken steps to track receipts and disbursements related to capital improvements; however, it had not deposited CIST monies in a special fund or identified the balance of CIST monies within the Road and Bridge Fund. The County Auditor indicated he planned to track the balances of the CIST monies in the future. On May 6, 2015, the County Commission indicated it plans to create a separate fund for the deposit of CIST monies, and that a meeting of county officials and employees is scheduled for the purpose of budgeting this new fund.



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2.2 Property tax levy reductions

The county did not prepare property tax levy reduction calculations or properly report levy reductions to the State Auditor's office.

Sales tax calculations and reporting

For many years the county chose to set the general revenue and road and bridge property tax levies at zero. For 2008 and prior years the county incorrectly certified the full reduction of each levy as a voluntary reduction instead of as a sales tax reduction or combination of sales tax and voluntary reductions. As a result, the tax rate ceiling for the county's General Revenue Fund and Road and Bridge Fund were lowered to zero in 2009. Additionally, the county had not taken action to restore these ceilings, and they had remained at zero since 2009.

County officials were apparently unaware of the impact of the 2008 voluntary reduction and of the county's zero tax rate ceilings, and from 2009 to current had continued to certify reductions of the general revenue and road and bridge levies as voluntary. On tax rate forms submitted to the State Auditor's office the county incorrectly reported prior year ceilings (in effect if voluntary reductions had not been taken in 2008), although the ceiling for each fund was zero, and then reflected a full voluntary reduction.

Road and Bridge Fund levy reduction

Because reducing the general revenue property tax levy to zero would not have been sufficient to compensate for 50 percent of the sales taxes collected, the county should have also reduced the road and bridge property tax levy. However, a full reduction of the road and bridge levy for this purpose would not have been required. According to our calculations and had the county's tax rate ceiling not been reduced to zero, the county could have reduced the 2012 road and bridge property tax levy by 0.0772 or approximately \$768,000 in property tax revenues, rather than the full 0.1945, to satisfy the county's overall 50 percent rollback requirement.

Recommendation

The County Commission work with the County Clerk to properly calculate and report property tax reductions (sales tax or voluntary).

Status

Implemented

Property tax reductions (sales tax and voluntary) were properly calculated and reported in 2014 by the County Clerk.

3. County Budgeting and Planning

Budgeting procedures of the County Commission and the County Auditor needed improvement.

3.1 Sales tax monies and debt payment

In April 2000, voters approved Proposition A, which renewed an existing 1/2-cent sales tax (previously authorized for sewer purposes), and Proposition B, which authorized the county to expend the sales tax revenues for the additional purpose of providing law enforcement facilities. The ballot language did not specify what portion of the sales tax monies



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collected would be used for each of the 2 authorized purposes, and the monies were deposited into the Sewer Fund.

In November 2005, voters approved a 1/8-cent law enforcement sales tax that was deposited into the General Revenue Fund. However, in December 2012, the county decided to account for these monies separately and created a Law Enforcement Sales Tax Fund. In November 2006, the county issued Lease certificates of participation (COP) Series 2006 for the construction of a new judicial facility. Until 2013, principal and interest payments were made from the General Revenue Fund and covered by law enforcement sales tax monies. In 2013, the county budgeted the COP payment from the Law Enforcement Sales Tax Fund. However, when the COP payment came due the fund had not accumulated adequate sales tax revenue to make the payment. The County Commission then authorized a \$1.2 million COP payment from the Sewer Fund. The County Commission supported this decision because Proposition B had added a "law enforcement facilities" purpose to the general sales tax and a written legal opinion from one of the county's attorneys concluded usage of the monies in this way was valid.

However, the county had not budgeted for the COP payment to be made from the Sewer Fund during 2013, and had not adequately anticipated the shortfall in sales tax revenues in the Law Enforcement Sales Tax Fund that existed at the payment due date. As a result, county funds were not spent as intended.

Additionally, voters approved 2 separate uses for the general sales tax monies when they approved Proposition A and Proposition B in 2000. However, a specific portion for each purpose was not designated. Further, it may have been improper for the county to submit a ballot measure to voters asking to add the purpose of "providing law enforcement facilities" to the existing 1/2-cent general sales tax previously designated for sewer purposes.

Recommendation

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 the 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 the appropriate funds, rather than being transferred at a later date to cover related expenses.

Status

In Progress

The County Commission budgeted and made the COP payment from the Sewer Fund in 2014. The County Commission repaid the Sewer Fund for the 2013 COP payment in December 2013, but does not plan to repay the fund for the 2014 payment until the COP is paid off. However, the County



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Commission budgeted to make the COP payment from the Law Enforcement Sales Tax Fund in 2015. On May 6, 2015, the County Commission indicated it plans to designate the percentage of funds to be allocated for sewer or law enforcement purposes and the respective amounts will be deposited into the appropriate funds.

3.2 Budgetary practices

The County Commission and County Auditor did not ensure budgets for some county funds reasonably reflected anticipated financial activity and cash balances. The county significantly overestimated disbursements resulting in actual ending cash balances greatly exceeding budgeted ending cash balances.

Disbursements were significantly overestimated for most county funds. Additionally, approved budgets for some county funds included a significant amount for contingency expenses.

Recommendation

The County Commission ensure budget estimates for receipts and disbursements are based on actual expected occurrences.

Status

Partially Implemented

While the county's 2015 budget document provided more reasonable anticipated financial activity and cash balances for the Transfer Station Fund and the 911 Fund, similar concerns to those noted in the audit report remained for most county funds. The County Commission and County Auditor had not changed budget procedures to ensure budget estimates and anticipated cash balances were reasonable. On May 6, 2015, the County Commission indicated that weather conditions often unreasonably interfere with anticipating road and bridge or sewer budgets; however, it will take additional steps to review the process of setting those budgets and others.

3.3 Budget review

County personnel did not identify errors in the 2013 budget document. The county's budget was prepared by the County Auditor and approved by the County Commission. Our review of the budget spreadsheet showed it contained formula errors and incorrect data resulting in significant misstatements of available funds and employee fringe benefits in the General Revenue Fund. In addition, the 2013 General Revenue Fund budget did not present an estimated and actual ending cash balance although the fund had an actual ending cash balance of approximately \$10 million.

Further, the County Auditor did not enter some information correctly into the budget from the county's accounting records. Some receipts and disbursements were omitted and several revenue accounts were not accurately reported.



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Recommendation	The County Commission ensure the county budget is accurate and complete.
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Status	Implemented Errors noted in the budget spreadsheet prepared by the County Auditor were corrected, and our review of the 2015 county budget document did not identify similar problems as were noted during the audit.
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3.4 Sewer sales tax	The County Commission had not projected realistic disbursements for the Sewer Fund for several years, and actual ending cash balances were much higher than projected ending cash balances. Additionally, the sewer district's master plan for current and future projects had not been updated since 2007.
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Recommendation	The County Commission approve a reasonable estimate of disbursements in the Sewer Fund budget, prepare a long-term plan for the use of these funds, and consider using the excess accumulated cash reserves to pay off the bonded indebtedness early.
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Status	Partially Implemented The County Commission did not reasonably estimate disbursements in the 2015 Sewer Fund budget. The County Commission did obtain a proposed budget from the regional sewer district outlining sewer projects for 2015 through 2017, and on May 6, 2015, the County Commission indicated it had advised cities within the Taney County Sewer District that a 5 year plan for proposed sewer projects should be submitted to them by September 2015 to allow the County Commission to develop a longer term plan. The County Commission made an early payment on the bonds in December 2013 totaling approximately \$5.6 million; however, no payments were made in 2014.
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5. Property Tax System	Utility tax distributions were incorrectly distributed to school districts. The County Commission, County Clerk, and County Auditor did not adequately review the activities of the County Collector and County Assessor.
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5.1 Utility tax distributions	The County Collector did not correctly distribute utility taxes to various school districts in the county for the years 2001 through 2010, resulting in distribution errors totaling \$434,118.
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The primary reason for these errors was a programming mistake in the tax extension phase of the property tax system that caused the school district names to not be in alignment with their respective distribution calculation. The County Collector relied on the property tax system for the distribution calculations and did not manually verify the calculations or compare the distributions to the tax statements, resulting in the distribution error going



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undetected for 10 years. In addition, reviews performed by the County Auditor did not detect this error.

Recommendation

The County Collector and County Auditor ensure future utility tax distributions are computed properly and reviewed for accuracy.

Status

Implemented

The 2014 utility tax distributions were properly computed and reviewed for accuracy.

5.2 Account book

Neither the County Clerk nor the County Commission adequately reviewed the financial activities of the County Collector. The County Clerk did not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures were performed to verify the accuracy and completeness of the County Collector's annual settlements.

Recommendation

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

Status

In Progress

The County Clerk now maintains an account book with the County Collector. However, at the time of our follow up meeting in March 2015, the County Collector's annual settlement had just been prepared and the County Clerk had not had time to compare her account book to the settlement. On May 6, 2015, the County Commission indicated it would review the account book maintained by the County Clerk.

5.3 Delinquent taxes

The County Clerk did not prepare or verify the accuracy of the delinquent tax books totaling approximately \$7 million at February 28, 2013, and the County Commission also did not verify the accuracy of the delinquent tax books prepared and printed by the County Collector. According to the County Collector, she randomly tested the accuracy of several tax statements but did not document this procedure. The County Clerk did not perform procedures to verify the totals of the delinquent tax books, and County Commission meeting minutes only indicated that the County Commission received the delinquent tax books.

Recommendation

The County Commission and County Clerk should verify the accuracy of the delinquent tax books prior to charging the County Collector with the property tax amounts.



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Status

In Progress

The County Clerk generated a report to verify the accuracy of the delinquent tax books for 2015, but had not compared it to the delinquent tax books at the time of our review. The County Clerk indicated she plans to utilize the report to verify the accuracy of the delinquent tax books and to recalculate a sample of the delinquent tax book calculations, which will be presented to the County Commission for their review. The County Commission indicated it will examine the delinquency lists and make corrections.

5.4 Tax book changes

The County Commission did not approve additions to personal property taxes totaling over \$600,000 and did not approve personal property taxes outlawed totaling \$188,000 during the year ended February 28, 2013. Minutes of the County Commission meetings indicated the personal property taxes outlawed were presented to the County Commission by the County Collector; however, the County Commission did not approve a court order authorizing the removal of these taxes from the tax books.

Recommendation

The County Commission and County Clerk review and approve personal property tax additions and personal property taxes outlawed.

Status

Implemented

During the months we reviewed (December 2014 and January 2015), the County Commission and County Clerk reviewed and approved all additions, abatements, and outlawed personal property taxes.

5.5 Fire district taxes

The former County Assessor changed the application of the 2011 and 2012 property tax levies in the property tax system for the portion of the Central Taney County Fire Protection District located within the city of Forsyth, and as a result, taxes for this district were not properly levied to some city of Forsyth residents. This change was not detected until officials from the fire protection district contacted the county. While the County Clerk had procedures in place to review the tax book, procedures were not sufficient to identify these changes made by the former County Assessor. According to the County Collector approximately \$44,000 was not charged for real property taxes for the 2 years ended February 28, 2013. The amount of personal property taxes not charged for that period has not been determined.

In April 2013, the Taney County Circuit Court ordered the county to levy remedial taxes that were not previously levied. In February 2014, the Taney County Circuit Court further ordered the county to levy 2011 and 2012 remedial taxes as a current tax and that no penalties or interest shall be imposed on any taxpayer for 1 year from the date of the tax statement submitted to the taxpayer.



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Recommendation

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 taxes charged to each taxing district to ensure tax books are accurate.

Status

In Progress

Remedial taxes were levied in accordance with the Taney County Circuit Court's judgment. The County Clerk indicated she has requested the software vendor create a report of all changes made to the property tax system, but has not yet received the report. On May 6, 2015, the County Commission indicated a letter was sent to the County Clerk requesting a copy of this report.

6. Assessment Fund Reimbursements

The Missouri State Tax Commission (STC) withheld approximately \$956,000 in property tax assessment reimbursement claims from Taney County since 2007, because the county failed to fully comply with approved assessment maintenance plans and applicable state law regarding property assessments.

Recommendation

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

Status

Implemented

The County Commission, County Assessor, and all assessing officials have worked with the STC to correct assessment noncompliance. The County Assessor prepared reimbursement claim forms for the last two quarters of 2014; however, no monies were due for the 3rd quarter and he is awaiting reimbursement of the remaining funds for the 4th quarter.

8. Sheriff Seized Property and Evidence

The Sheriff had not established adequate controls and records for seized cash and property. In addition, the Sheriff's office did not have procedures to dispose of seized cash held for many years.

Seized cash

The Sheriff's office records of seized cash at April 2013 showed the Sheriff was holding approximately \$77,000 for 50 cases. Our review of 10 of these 50 cases determined the following:

- Seized cash totaling \$3,270 from 2 cases was not on hand and disposition of the cash was not documented. As a result, cash totaling \$3,270 was not located and could not be accounted for properly.



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- Seized cash totaling \$10,373 was still on hand although the case was dismissed in February 2012.
- Seized cash totaling \$2,500 from one case was still on hand even though a 1998 court judgment had been obtained releasing the seized cash.
- Seized cash totaling \$1,369 from one case was still on hand although records indicate it was released to the court.
- Cash totaling \$6,440 seized in March 1995 was still on hand without any documentation the Sheriff had attempted to dispose of the funds.

Seized property

The Sheriff maintained seized property items at the county impound lot, barn, and evidence room. Records and procedures to account for these items were inadequate.

- Seized property items were maintained in multiple locations and there was no overall inventory list that identified the storage location of specific items.
- Seized property was not always tagged and identified.
- Periodic physical inventories of seized property items were not conducted, and procedures had not been implemented to periodically review cases and dispose of related seized property items when appropriate and in accordance with court judgments.
- Not all firearms were stored at the Sheriff's evidence room as required by office policy.

Recommendation

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.

Status

Implemented

Inventory records were updated to be complete and accurate after a physical inventory was conducted in January 2015. At the time of our follow-up meeting in April 2015, the Sheriff indicated he had disposed of all seized cash that could be disposed of. We reviewed some of the seized cash discussed in the audit report and verified the seized cash had been disposed.



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10.1 Sheriff Commissary
Records and Procedures
- Segregation of duties

The Sheriff had not adequately segregated accounting duties and independent or supervisory reviews of accounting records were not performed. The administrative assistant performed the duties of receiving, recording, depositing, and disbursing commissary monies. Neither the Sheriff nor other office personnel performed a documented review of accounting records or a comparison of monies received to those deposited. Additionally, the jail administrator and the administrative assistant were married to each other. The supervision of a related employee could compromise a supervisor's objectivity when assigning duties or evaluating employee performance. Also, related employees with receipt handling responsibilities increase the risk of collusion and theft or misuse of county funds.

Recommendation

The Sheriff segregate accounting duties to the extent possible or ensure documented independent or supervisory reviews of accounting and bank records are performed.

Status

Implemented

The duties of receipting, recording, depositing, and disbursing commissary monies have been segregated among 4 individuals.

10.3 Sheriff Commissary
Records and Procedures
- Bank reconciliations
and liabilities

The jail administrator did not perform formal bank reconciliations or prepare monthly lists of liabilities to reconcile to the available cash balances of the 3 commissary bank accounts. Errors were made in posting deposits in transit, outstanding checks, and other transactions in the accounting system resulting in discrepancies in various records and differences between bank and book balances.

Our review of bank reconciliation and liability reports for the 3 accounts also identified several errors that resulted in differences between the bank and book balances for each account. The list of liabilities included amounts that needed to be turned over to the County Treasurer for commissions on telephone cards, medical fees, and interest income.

Recommendation

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 the 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.

Status

Partially Implemented

The Sheriff closed the old commissary account and prepared a list of liabilities for the accounts for January 2015. However, formal bank reconciliations were not performed and reconciled to the list of liabilities so



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any recording errors could not be identified and corrected. The Sheriff disbursed commissary profits to the Inmate Prisoner Detainee Security Fund in January 2015. However, the Sheriff has not yet disposed of old outstanding checks.

**11.1 Public Administrator
Controls and Procedures
- Receipting and
depositing**

The Public Administrator did not have a receipting system in place to properly track and document when monies owed were received on behalf of wards. Additionally, checks received by the Public Administrator on behalf of the wards were often held for extended periods of time before deposit to help wards retain Medicaid eligibility, and checks were not restrictively endorsed until the deposit was prepared.

Recommendation

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.

Status

In Progress

A log is not maintained; however, the Public Administrator indicated a computer system prompt is now in place to track payments owed and due each month for each ward. She also indicated she notifies the DSS, Family Support Division, of wards with excess balances, and any monies that are in excess are forwarded to the DSS. She indicated no checks are held that would interfere with the wards eligibility to continue services with the DSS, and checks are endorsed and all monies are deposited daily.

**12.1 Prosecuting Attorney
Controls and Procedures
- Adjustments and
reversals**

One clerk, who was responsible for receiving and recording all monies, also had the ability to post adjustments and reversals to the computerized accounting system without obtaining independent approval. Adjustments totaling \$250,305 were made during 2012.

Recommendation

The Prosecuting Attorney require supervisory review and approval for all adjustments and reversals.

Status

Implemented

The Prosecuting Attorney is performing a supervisory review and approval of all adjustments and reversals prior to the adjustments and reversals being made.



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12.2 Prosecuting Attorney
Controls and Procedures
- Receipting and
recording

Monies received were not always recorded immediately upon receipt and were not properly secured prior to deposit, and the numerical sequence of computerized receipt numbers was not accounted for properly.

Recommendation

The Prosecuting Attorney record all monies immediately upon receipt, store monies in a secure location, and account for the numerical sequence of receipt numbers.

Status

In Progress

Monies are being recorded immediately upon receipt and are stored in a secure location; however, the numerical sequence of receipt numbers was not accounted for during January 2015. The Prosecuting Attorney indicated at the time of our follow up meeting in March 2015, that he had implemented procedures to account for the numerical sequence of all receipt numbers.

12.3 Prosecuting Attorney
Controls and Procedures
- Bank reconciliations
and liabilities

The Prosecuting Attorney's office manager did not prepare accurate bank reconciliations for the restitution and bad check bank accounts. The office manager only compared the ending bank balance on her computerized accounting system to the ending balance on the bank statement and did not ensure deposits in transit and outstanding checks were accurate. The December 31, 2012, restitution account bank reconciliation listed 143 checks totaling \$29,158 as outstanding for over a year when these checks had actually cleared the bank during 2010 and 2011. We identified similar problems with the bad check account bank reconciliation.

The Prosecuting Attorney did not identify liabilities. The restitution account reflected a shortage of approximately \$500 when compared to liabilities while the bad check account had a balance in excess of liabilities of approximately \$900.

Recommendation

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.

Status

Implemented

The Prosecuting Attorney closed these bank accounts and turned these monies over to the County Treasurer to handle. The County Treasurer deposited these monies into the General Revenue Fund, Bad Check Fund, or Unclaimed Fees Fund, as applicable.



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12.4 Prosecuting Attorney
Controls and Procedures
- Accounts receivable

The Prosecuting Attorney's office did not generate a monthly list of unpaid bad checks and restitution, and was not proactive in identifying cases with unpaid receivables.

As of January 16, 2013, the bad check accounts receivable listing included 1,075 defendants with amounts due totaling \$658,172, and the restitution accounts receivable listing included 479 cases with amounts due totaling \$2,881,565. We identified 8 cases totaling \$285,508 that were no longer collectible for reasons such as bankruptcy or case dismissal. Further, probation termination dates were not accurately recorded or updated in some restitution cases reviewed.

Recommendation

The Prosecuting Attorney maintain an accounts receivable record and establish procedures to monitor and collect accounts receivable. The Prosecuting Attorney should also periodically review case information for accuracy.

Status

In Progress

The Prosecuting Attorney prepared and reviewed the accounts receivable report for January 2015, and plans to better monitor and collect accounts receivable and periodically review case information for accuracy.

16. Sunshine Law

Open meeting minutes did not always document the specific reasons or section of law allowing a meeting to be closed. In addition, some issues discussed in closed sessions were not allowable by law.

Recommendation

The County Commission ensure specific reasons for closing a meeting are documented, and discuss only allowable topics in closed meetings.

Status

Implemented

The County Commission held 6 closed meetings in January 2015. We reviewed the minutes and determined the County Commission properly documented the specific reasons for closing meetings and discussed only allowable topics in the closed meetings.