



Office of Missouri State Auditor
Nicole Galloway, CPA

Benton County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Benton County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of accounting and bank records. The Sheriff has not established proper controls or procedures for receipting, recording, reconciling, and disbursing monies. The Sheriff's office does not identify month-end liabilities and compare these liabilities to the reconciled bank balance. The Sheriff charges a \$20 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff's office did not submit inmate transportation reimbursement claims to the Department of Corrections for the 2 years ended December 31, 2015.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties and does not perform and document a thorough supervisory review of accounting records. The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, reconciling, and transmitting monies. Collection summary reports used to report Missouri Office of Prosecution Services (MOPS) fees each month to the County Treasurer were not complete and accurate.
Property Tax System and County Collector's Controls and Procedures	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, and the County Collector's annual settlement for the year ended February 29, 2016, was not accurate. The County Collector does not deposit receipts intact and does not reconcile the composition of receipts to the composition of deposits. The County Collector does not have a written agreement with the City of Warsaw to bill and collect property taxes, and the written agreement with the City of Cole Camp was negotiated in 1986. The County Collector improperly withholds and personally retains commissions on railroad and utility taxes collected for cities.
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.

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Benton County

We have audited certain operations of Benton County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Benton County for the 2 years ended December 31, 2015. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2015. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

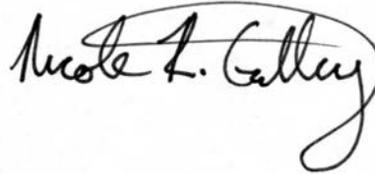
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Benton County.

Additional audit work of the Benton County Public Administrator is still in process, and any findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, sweeping loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Keriann Wright, MBA, CPA
Director of Audits:	Randall Gordon, M. Acct., CPA, CGAP
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Benton County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed receipts totaling approximately \$175,000 during the year ended December 31, 2015.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of detailed accounting and bank records. The Sheriff's secretary is primarily responsible for receipting, recording and depositing monies, making disbursements, and preparing bank reconciliations and the monthly fee report. Additionally, the Sheriff's secretary can provide one of the two required signatures on checks. The Sheriff and County Treasurer review and initial the monthly bank reconciliations, but neither of them reviews other accounting records including detailed receipt and disbursement records. As a result, no one identified the recording errors discussed in sections 1.2 and 1.3, and the shortage discussed in section 1.4 during these reviews.

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Receipting, recording, and reconciling

The Sheriff has not established proper controls or procedures for receipting, recording, and reconciling monies. We noted the following concerns:

- Receipt slips are not issued for payments received for commissary commissions, phone commissions, and Social Security Incentive (SSI) payments.
- Checks and money orders are not restrictively endorsed immediately upon receipt.
- Receipt slips issued and monies deposited are not reconciled to receipts recorded on the monthly fee report used to prepare month-end disbursements. Our review of receipt slips and the monthly fee report for September 2015 identified a voided receipt slip improperly recorded on the monthly fee report as a \$10 receipt. Another receipt slip issued for \$50 was improperly recorded on the monthly fee report as \$100. As a result, the September monthly fee report total receipts was \$60 more than the receipts recorded on receipt slips and deposited. In addition during 2015, the Social Security Administration direct deposited SSI payments totaling \$1,200 into the Sheriff's bank account, but the monthly fee reports did not include this money.



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Management Advisory Report - State Auditor's Findings

Failure to implement adequate receipting, recording, and reconciling procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected. Issuing prenumbered receipt slips for all monies received, restrictively endorsing checks and money orders upon receipt, and reconciling receipt slips issued and deposits to the monthly fee report is necessary to ensure all receipts are handled and accounted for properly.

1.3 Disbursements

The Sheriff's office does not have adequate procedures to ensure collections are properly disbursed. The Sheriff's secretary uses monthly fee reports to prepare disbursements to the County Treasurer; but the failure to properly record all receipts (see section 1.2) and disbursements, including refunds, on the monthly fee reports resulted in disbursement errors. For example, a \$30 receipt in December 2015 for civil fees was both refunded to the payer and disbursed to the County Treasurer because the refund was not recorded on the monthly fee report.

To reduce the risk of loss, theft, or misuse of funds, adequate procedures are necessary to ensure all disbursements are proper and recorded timely.

1.4 Liabilities

The Sheriff's office does not identify overall month-end liabilities and compare these liabilities to the reconciled bank balance. The Sheriff's secretary maintains a listing of cash bonds received that have not been disbursed. In addition, the monthly fee report identifies collections on hand at month-end that are usually disbursed to the County Treasurer the first week of the following month. Also, some SSI receipts (see section 1.2) were not recorded on the monthly fee report and have not been disbursed, and thus, remain in the bank account. The bond listing, monthly fee report, and SSI monies are not compared to the reconciled bank balance to ensure adequate funds are available to pay all liabilities. The bond listing, monthly fee report, and SSI monies totaled \$16,294 at December 31, 2015, however, the reconciled bank balance was only \$14,413. The Sheriff and his secretary were unaware of the \$1,881 shortage in the account. This shortage increased from the \$1,418 shortage noted in our prior audit report. Procedural weaknesses noted in sections 1.2 and 1.3 likely contributed to the increase in the account shortage.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

1.5 Civil paper service fees

The Sheriff charges a \$20 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff collected approximately \$26,000 for civil paper service fees, including mileage, during the year ended December 31, 2015.



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Section 57.280, RSMo, provides that the Sheriff be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Charging a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

1.6 Inmate transportation
reimbursement

The Sheriff's office did not submit inmate transportation reimbursement claims to the Department of Corrections for the 2 years ended December 31, 2015. After our inquiry, the Sheriff submitted claims totaling \$3,716 and received \$1,022 in reimbursements as of September 14, 2016. The Sheriff expects to receive reimbursement for all pending claims.

Section 33.120, RSMo, requires submission of all claims to the state within 2 years after reimbursable expenses have been accrued. Failure to prepare or submit timely reimbursement claims to the state could result in a loss of revenue to the county.

Similar conditions
previously reported

Similar conditions to sections 1.1, 1.2, and 1.4 were noted in our prior 2 audit reports.

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure an adequate independent or supervisory review of detailed accounting and bank records is performed and documented.
- 1.2 Ensure all monies received are properly receipted and recorded, restrictively endorsed upon receipt, and reconciled to the monthly fee report and deposits.
- 1.3 Develop procedures to ensure all collections are properly and timely recorded and disbursed.
- 1.4 Prepare complete and accurate lists of liabilities and compare lists of liabilities to the available cash balances, and promptly investigate and resolve differences.
- 1.5 Ensure civil paper service fees are charged in accordance with state law.
- 1.6 Ensure inmate transportation reimbursement claims are submitted timely to the Department of Corrections.

Auditee's Response

- 1.1 *The Sheriff and the County Treasurer will verify the monthly fee report, along with the checkbook register and the Quickbooks reconciliation report. The Sheriff's secretary has a calculator tape showing how the monthly fee report, open bonds, and checkbook*



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Management Advisory Report - State Auditor's Findings

register balance. The Sheriff's office will continue to verify each day's deposit by a second person in the office and initial the receipt book. The cash and checks are verified along with the receipt slip book and the deposit slip.

1.2 *Receipt slips will be issued for commissary and phone commissions and matched with receipt slips from the County Treasurer showing that funds had been received and transmitted the same day. The SSI payments direct deposited in the Sheriff's bank account are now being receipted and recorded on the monthly fee report and a separate check is written to the Benton County Treasurer. All checks received are being restrictively endorsed upon receipt and processed the same day. Each day, the daily entries in Quickbooks and on the monthly fee report are compared to the receipt slips and amounts deposited.*

1.3&

1.4 *The monthly fee report has been updated with new columns to include the Check Number Paid, Other Revenue Distribution, Bond Paid Out, and Civil Refunds. We also keep track of interest paid and SSI payments on the monthly fee report and record the checks issued to disburse these monies to the County Treasurer. The secretary also includes a calculator tape showing the amount paid to the County Treasurer, end-of-month balance in the checkbook register, and open bonds to verify the available balance.*

1.5 *As of August 19, 2016, the civil paper service fees have been changed to \$10 Deputy Supplemental plus \$20 civil paper service fee equaling \$30, then \$20 deposit for mileage. We are charging \$0.54 per mile. When the service paperwork is returned to the office, actual mileage is notated and if any adjustment is needed, the difference is refunded or billed.*

1.6 *The Sheriff's office implemented procedures while auditors were onsite and will continue to submit inmate transportation claims to the Department of Corrections timely.*

2. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney only accepts receipts in the form of money orders or cashier's checks, which are transmitted to the merchants, the County Treasurer, or other applicable individuals. The Prosecuting Attorney's office collected approximately \$53,000 in bad check and court-ordered restitution and fees during the year ended December 31, 2015.

2.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform and document a thorough supervisory review of



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accounting records. One clerk is primarily responsible for all accounting duties including entering payments for bad checks and court-ordered restitution into the computerized accounting system, transmitting monies to victims, and recording fees on the manual fee receipts ledger and transmitting them to the County Treasurer. Additionally, all 3 clerks have the ability to issue receipt slips and record adjustments to defendant accounts in the computerized accounting system without independent approval. The Prosecuting Attorney indicated she periodically reviews records in the computerized accounting system but does not document her reviews.

To reduce the risk of loss, theft, or misuse of funds, proper segregation of duties is necessary to ensure transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals and a review of adjustments made to the accounting system.

2.2 Receipting, recording, reconciling, and transmitting

The Prosecuting Attorney has not established proper controls or procedures for receipting, recording, reconciling, and transmitting monies. We noted the following concerns:

- Manual fee receipts ledgers are not reconciled to the computerized accounting system records. We noted instances where the amounts posted in the computerized accounting system did not agree with the amounts recorded on the manual fee receipts ledger, which is utilized to support the transmittal of monies to the County Treasurer.
- The Prosecuting Attorney does not account for the numerical sequence of receipt numbers assigned by the computerized accounting system and the system does not have controls to prevent the Prosecuting Attorney or her clerks from changing the date of receipts in the system to a past or future date. During our review of 484 receipt numbers issued from January 1, 2015, through March 29, 2016, we identified 23 receipt numbers with a backdated issue date in the computerized accounting system. Additionally, we noted 4 missing receipt numbers and 14 receipt numbers totaling \$2,311 deleted from the computerized accounting system. The Prosecuting Attorney indicated these deleted transactions corrected payment and accounts receivable errors resulting from a software update; however, she provided no supporting documentation.



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Management Advisory Report - State Auditor's Findings

- The clerk does not transmit monies timely to the County Treasurer. We noted \$486 in bad check fees received between March 5, 2015, and June 3, 2015, were not transmitted to the County Treasurer until June 15, 2015. In addition, only 8 transmittals of bad check fees occurred during 2015 instead of monthly as required by state law.

Failure to implement adequate receipting, recording, reconciling, and transmitting procedures increases the risk that loss, theft, or misuse of monies received will go undetected. The Prosecuting Attorney should ensure adequate controls are in place to reconcile manual fee receipt ledgers to computerized receipt records, properly account for the numerical sequence of receipt numbers, and work with the computer programmer to establish controls that prevent changes from being made to recorded receipt dates. In addition, Section 50.370, RSMo, requires every county official who receives fees or remuneration for official services to file a monthly report with the county and pay such monies to the County Treasurer.

2.3 Monthly reports

The Prosecuting Attorney's collection summary reports used to report Missouri Office of Prosecution Services (MOPS) fees each month to the County Treasurer were not complete and accurate. The Circuit Clerk's office also collects MOPS fees for the Prosecuting Attorney's office and transmits these monies to the County Treasurer. The Circuit Clerk notifies the Prosecuting Attorney's office of these collections for inclusion in the collection summary reports. However, these reports did not include all MOPS fees collected, and as a result, \$165 of \$695 collected and transmitted to the County Treasurer during the year ended December 31, 2015, was not paid to MOPS.

To ensure amounts distributed to MOPS are accurate, monthly collection detail reports should be reconciled to actual MOPS fees transmitted to the County Treasurer.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 2.1 Segregate accounting duties or ensure an adequate independent or supervisory review of accounting records is performed and documented. In addition, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments.
- 2.2 Reconcile manual fee receipts ledgers to computerized receipt records, implement procedures to account for the numerical sequence of receipt numbers, and work with the computer programmer to establish controls to prevent changing of receipt



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Management Advisory Report - State Auditor's Findings

Auditee's Response

- dates. In addition, the Prosecuting Attorney should ensure fees collected are transmitted to the County Treasurer timely.
- 2.3 Reconcile MOPS collection reports to amounts transmitted to the County Treasurer.

2.1 *Should the State Auditor's Office provide a form or example of the format for the information requested, my office shall comply forthwith.*

2.2&

2.3 *With regard to "missing receipt numbers and . . . receipts": the auditors were made aware that my staff had located discrepancies in reported payments and had adjusted according to the instructions of the software company. The "change of date" accurately reflects the date of payment rather than the date of correction. Payments are made by money order, cashier's checks, attorney trust account checks, or checks from the court. Each of these payment types has an independent record system by which those documents may be traced (and copies obtained) by the payor. Furthermore, no payments are missing to my knowledge.*

With regard to your statement that "similar conditions were noted in our prior audit report", I wrote the software company on March 21, 2012, expressing the concerns of that audit. I had responses on March 23 and March 27 indicating that the company would evaluate the criticisms and requests when they surveyed users and update the program.

As to the computer system at issue here, prosecutors in Missouri have been using it since 2000. It is a Missouri company that is now used nationwide for prosecution case management. Only thirteen counties in Missouri do not use this program; four of those thirteen are scheduled to install the system before the end of the year. The user contract for prosecutors is negotiated for us at the state level.

With regard to Section 50.370, RSMo, the Prosecuting Attorney's Office receives no fees which "belong to the county." The administrative handling fee and bad check fees, created by statute, are, by statute, deposited into a fund which can be expended only by this office. No previous instructions have required the Chapter 50 report from this office. That being said, we do make a report to the County Treasurer's Office as to the aforementioned fees. We have altered that schedule to monthly reporting.



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Management Advisory Report - State Auditor's Findings

Naturally, reasonable, logical, and possible recommendations will be implemented within the financial limitations existing in the county.

Auditor's Comment

2.1 The recommendation is for the Prosecuting Attorney to document her reviews of accounting records. We discussed various methods to document these reviews with the Prosecuting Attorney.

2.2&

2.3 The Prosecuting Attorney's response did not address all parts of the recommendations. It is important that the Prosecuting Attorney implement adequate receipting, recording, reconciling, and transmitting procedures.

3. Property Tax System and County Collector's Controls and Procedures

Property tax system and the County Collector's controls and procedures need improvement. The office processed tax collections of approximately \$14 million during the year ended February 29, 2016.

3.1 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk prepares an account book summarizing property tax charges, transactions, and changes occurring during the tax year, but does not utilize it to perform a thorough review of the County Collector's annual settlement. As a result, errors noted in section 3.2 were not detected and corrected on the County Collector's annual settlements approved by the County Clerk. Also, the County Commission did not review and approve the County Collector's annual settlements for the year ended February 29, 2016.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records that summarizes all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

3.2 Annual settlement

The County Collector's annual settlement for the year ended February 29, 2016, was not accurate.



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Management Advisory Report - State Auditor's Findings

- Our review of the annual settlement determined total collections and total distributions did not balance. The County Collector improperly reported \$32,116 less in collections and \$19,815 less in distributions than total amounts reported in monthly settlements and other collection and distribution reports. We also noted railroad and utility tax book charges and collection amounts reported on page 2 of the annual settlement improperly reported the prior year's activity instead of the current year's activity. The County Collector indicated she prepares the annual settlement using reports from the property tax system and manual records, and balances collections to distributions on her monthly settlements.
- Distributions reported on page 1 of the annual settlement improperly included interest not disbursed totaling \$4,661. The County Collector does not distribute interest earned on the bank accounts until the following year and should not report interest on hand as being distributed when the annual settlement is prepared.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is important the County Collector file complete and accurate annual settlements.

3.3 Receipting and depositing

The County Collector does not deposit receipts intact and does not reconcile the composition of receipts to the composition of deposits.

- The County Collector does not deposit receipts intact and does not maintain the change fund at a constant amount. The County Collector prepares the deposit and typically includes an even amount of cash in the deposit and withholds the balance of cash receipts for the change fund.
- Receipts are used to cash personal checks for county employees. Our review of 5 deposits made during November 2015 identified 4 personal checks of county employees totaling \$372 deposited by the County Collector's office in the place of cash receipts.
- Receipts were not always recorded with the correct method of payment. Our review of daily reports and deposits for the week ended November 20, 2015, identified 5 cash receipts totaling \$1,612 improperly recorded as checks, and 3 check receipts totaling \$2,253 improperly recorded as cash.

As a result, amounts receipted do not agree to the deposited amounts and the composition of receipts does not agree to the composition of deposits.



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Management Advisory Report - State Auditor's Findings

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, all monies should be deposited intact, the practice of cashing personal checks should be discontinued, and the composition of receipts should be reconciled to the composition of deposits. If a change fund is needed, it should be set at a constant amount and procedures established to reconcile to this amount every time a deposit is made.

3.4 City agreements

The County Collector does not have a written agreement with the City of Warsaw to bill and collect property taxes, and the written agreement with the City of Cole Camp was negotiated by a former County Collector in 1986 and should be updated.

Section 50.332, RSMo, allows county officials, subject to the approval of the county commission, to perform services for cities they normally provide to the county for additional compensation. Section 432.070, RSMo, requires all such contracts be in writing.

3.5 City commissions

The County Collector improperly withholds and personally retains commissions on railroad and utility taxes collected for cities. These commissions totaled \$323 for the year ended February 29, 2016.

The collection of railroad and utility taxes is a part of the County Collector's statutorily required duties, and she should not receive additional compensation for collecting these taxes. However, the County Collector withholds and personally retains a 1 percent commission from railroad and utility taxes for the cities of Lincoln, Cole Camp, and Ionia, and a 4 percent commission from railroad and utility taxes collected for the city of Warsaw.

The County Collector has written agreements with 3 cities for property tax collection services, which provide for her to personally retain a 1 percent commission on current city tax collections. Because the collection of railroad and utility taxes is a statutorily required duty, these contract terms conflict with state law and the County Collector should not receive this additional compensation. The County Collector would collect the railroad and utility monies for these cities even if she did not collect taxes for these cities.

Section 151.180, RSMo, requires the County Collector to collect all railroad taxes and Section 151.280, RSMo, requires the County Collector to withhold and pay a 1 percent commission on these taxes to the county's General Revenue Fund. Section 153.030, RSMo, requires utility taxes to be levied and collected in the same manner as railroad taxes.

Similar conditions previously reported

Similar conditions to sections 3.3 and 3.4 were noted in our prior 2 audit reports.



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Recommendations

- 3.1 The County Clerk and County Commission should use the County Clerk's account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.2 The County Collector prepare complete and accurate annual settlements.
- 3.3 The County Collector deposit all receipts intact, maintain the change fund at a constant amount, discontinue the practice of cashing personal checks, and reconcile the composition of receipts to the composition of deposits.
- 3.4 The County Collector work with the County Commission to obtain current written agreements with the cities for property tax collections.
- 3.5 The County Collector discontinue personally retaining commissions withheld on railroad and utility taxes and distribute these collections in accordance with state law.

Auditee's Response

The County Clerk and County Commission provided the following response:

- 3.1 *The account books will be used to more thoroughly reconcile the County Collector's books on the annual settlement. The annual settlement will have a documented review by the County Commission and the review will be included in the minutes of the County Commission.*

The County Collector provided the following responses:

- 3.2 *I have always struggled with breaking down over \$14 million on the annual settlement. I was thrilled to find that my records were only off \$7.89 when the auditors compared collections per the monthly settlements to collections per the cashbook using my records. I thank you for explaining the breakdown by categories and will make every effort to have a correct annual settlement next year.*
- 3.3 *It was noted that my deposited receipts do not reconcile with the composition of receipts. When waiting on taxpayers, we ask if they are paying with cash/check/money order/credit, etc. If they change their minds after we have entered it, we are unable to make any changes. The monies are still correct. We will try to make a record when this happens in the future.*
- 3.4 *I will try to check on updating city contracts.*



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Management Advisory Report - State Auditor's Findings

3.5 *I was unaware the County Collector is not to retain any city commissions on railroad and utility tax collections. I will discontinue retaining these commissions to abide by state law.*

Auditor's Comment

3.3 The County Collector's response only addresses one part of the recommendation. It is important that the County Collector implement adequate receipting and depositing procedures.

Benton County

Organization and Statistical Information

Benton County is a county-organized, third-class county. The county seat is Warsaw.

Benton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 88 full-time employees (including elected officials) and 8 part-time employees on December 31, 2015.

In addition, county operations include a Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2016	2015
Michelle McLerran-Kreisler, Presiding Commissioner	\$	31,278
Jim Hansen, Associate Commissioner		28,568
Steve Daleske, Associate Commissioner		28,568
Beverly Burnett, Recorder of Deeds		44,168
Susan Porterfield, County Clerk		44,168
Karen Coffey Woodley, Prosecuting Attorney		134,374
Rick Fajen, Sheriff		48,006
Rick Renno, County Treasurer		44,168
J. Weston Miller, County Coroner		14,612
Lori Dunkin, Public Administrator		43,310
Donna Hart, County Collector (1), year ended February 29,	50,653	
Rodger L. Reedy, County Assessor, year ended August 31,		42,945
Jesse Wininger, County Surveyor (2)		

(1) Includes \$6,271 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.