



Office of Missouri State Auditor
Nicole Galloway, CPA

Worth County



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Worth County

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The Prosecuting Attorney's office does not always issue receipt slips for monies received. The Prosecuting Attorney's office does not always transmit court-ordered restitution to victims timely.
Brush Control	The amount charged for enforcement of brush control was not always calculated accurately, resulting in some taxpayers being overcharged for the service.
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 of 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 **Good**.*

*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

County Commission
and
Officeholders of Worth County

We have audited certain operations of Worth County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Worth County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

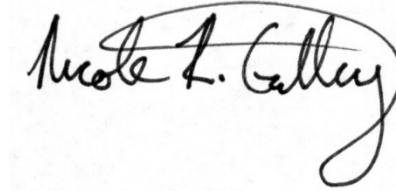
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

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 applicable contract, grant agreement, 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 controls, (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 Worth County.

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

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Keisha Guthrie
Audit Staff:	Mackenzie J. Wooster
	Austin T. Olson
	Amanda C. Hansel

Worth County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected bad check restitution and fees, and court-ordered restitution and fees totaling approximately \$6,200 during the year ended December 31, 2017.

1.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The Administrative Assistant receives, records, and transmits monies to victims and the County Treasurer. The Prosecuting Attorney does not review accounting records to ensure monies received are properly recorded and transmitted to the appropriate parties.

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, 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.

1.2 Receipting

The Prosecuting Attorney's office does not always issue receipt slips for monies received. The Administrative Assistant indicated receipt slips are issued for all monies received; however, when tracing October 2017 receipts to applicable case files, we identified 2 money orders, totaling \$120, that were not receipted.

Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Procedures should be established to ensure receipt slips are issued immediately for all monies received.

1.3 Transmittals

The Prosecuting Attorney's office does not always transmit court-ordered restitution to victims timely. A \$50 restitution payment received on June 15, 2017, was not disbursed until April 23, 2018. The Administrative Assistant indicated this payment was held because the payment was for an amount other than the scheduled payment amount, and it was later disbursed at the direction of the Prosecuting Attorney. In addition, 2 restitution payments, totaling \$120 (see section 1.2), received on September 15, 2017, and September 22, 2017, were not disbursed until October 6, 2017. The Administrative Assistant indicated these payments were held until the final payment was received on this case, although this is not the standard office procedure.

To ensure all receipts are accounted for properly and reduce the risk of loss, theft, or misuse of funds, court-ordered restitution monies received should be transmitted timely.



Worth County
Management Advisory Report - State Auditor's Findings

Recommendations

The Prosecuting Attorney:

- 1.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting records are performed.
- 1.2 Issue receipt slips for all monies immediately upon receipt.
- 1.3 Transmit restitution monies timely.

Auditee's Response

I will implement a plan to adequately segregate the accounting duties of the office staff and will provide a more thorough review of these records to ensure that all monies taken in are properly recorded and receipted. A copy of the receipt slip will be immediately issued to the payor for all monies received, and all monies received will be disbursed to the proper party in a timely manner. The time frame for implementation is 30 days.

2. Brush Control

The amount charged for enforcement of brush control was not always calculated accurately, resulting in some taxpayers being overcharged for the service. Receipts for brush control totaled approximately \$10,000 during the year ended December 31, 2017.

County Ordinance 2010-01 was established in accordance with Section 263.245, RSMo, to enforce brush control adjacent to county roads. The County Clerk prepares a calculation of the total cost of eradicating brush for each parcel of land by calculating the total amount of labor and machine hours required for the brush removal, along with any additional costs incurred. The total cost calculated by the County Clerk is approved by the County Commission and assessed by the County Collector on the parcel of land as a special brush levy. A review of the County Clerk's cost calculation is not performed prior to the special brush levy assessment. Our review of the 3 parcels assessed special brush levies during 2017 noted errors in recording the number of hours worked to remove the brush for 2 of the 3 parcels. These errors resulted in taxpayer overcharges totaling \$127.

County Ordinance 2010-01 states "the county commission, or its agents, servants, or employees . . . shall keep an accurate account of the expenses incurred in eradicating the brush." To ensure an accurate account of expenses incurred is maintained and charged to the appropriate taxpayer, the County Commission should ensure the County Clerk's cost calculation is reviewed for accuracy.

Recommendation

The County Commission ensure the County Clerk's cost calculation for charging special brush levies is reviewed for accuracy.

Auditee's Response

We agree with the recommendation and will ensure future calculations are reviewed for accuracy.

Worth County

Organization and Statistical Information

Worth County is a county-organized, third-class county. The county seat is Grant City.

Worth 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. In addition to elected officials, the county employed 11 full-time employees and 8 part-time employees on December 31, 2017.

In addition, county operations include a Senior Citizen Services Board.

Elected Officials

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

Officeholder	2018	2017
Ted Findley, Presiding Commissioner	\$	22,427
Regan Nonneman, Associate Commissioner		20,306
Tyler Paxson, Associate Commissioner		20,306
Barbara Foland, Recorder of Deeds		30,766
Roberta Owens, County Clerk		30,766
Brett Hurst, Prosecuting Attorney		39,603
Terry Sheddrick, Sheriff		38,192
Linda L. Brown, County Treasurer		30,766
Sharon Supinger, County Coroner		8,487
Patsy A. Worthington, Public Administrator		8,955
Julie Tracy, County Collector, year ended February 28,	30,920	
Carolyn J. Hardy, County Assessor, year ended August 31,		30,467