



Office of Missouri State Auditor  
**Nicole Galloway, CPA**

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**Miller County**

Report No. 2019-002

January 2019

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Miller County

Financial Condition	The financial condition of the 911 Emergency and Jail Funds remains poor. The amount of restricted Capital Improvement Fund monies used to support the 911 Emergency and Jail Funds is significant. As a result, the Capital Improvement Fund may not have the monies needed to pay off outstanding debt.
Capital Improvement Sales Tax	Some capital improvement sales tax revenue may have been spent for purposes not allowable under state law. The county did not track transfers to the 911 Emergency or Jail Funds to ensure the funding was spent in accordance with state law.
County Collector's Controls and Procedures	The County Collector did not prepare bank reconciliations during the year ended February 28, 2018. Also, the County Collector did not prepare a monthly list of liabilities for the bank accounts with liabilities.
Property Tax System	The County Collector is consistently not filing an annual settlement, one of his main responsibilities, which also violates state law. The County Clerk did not prepare the land and personal tax, back tax, or railroad and utility aggregate abstracts for 2014, 2015, 2016, or 2017. The county has not adequately restricted property tax system access.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. Controls and procedures over receipting and depositing need improvement. The Sheriff does not disburse fees monthly to the County Treasurer as required by state law. The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the 2 commissary accounts, and consequently, liabilities are not reconciled to the commissary's available cash balances and commissary net proceeds are not turned over to the county as required by state law. The Sheriff has not performed a physical inventory of seized property since 2015.
Senate Bill 40 Board's Controls and Procedures	The Senate Bill 40 Board did not advertise or obtain bids for the remodeling of the group home kitchen costing approximately \$7,300. The SB40 Board awards gifts to employees in violation of the Missouri Constitution.
Sunshine Law	The County Commission did not always comply with the Sunshine Law.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's bank account had \$5,346 of unidentified monies at December 31, 2017. The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks.

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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**

County Commission  
and  
Officeholders of Miller County

We have audited certain operations of Miller County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants and Business Advisors, LLC, was engaged to audit the financial statements of Miller 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:

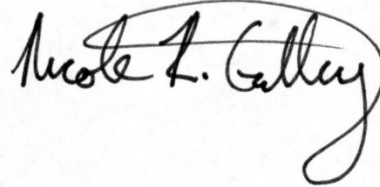
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

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 tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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 Miller 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:	James M. Applegate, MBA
Audit Staff:	Sherrye Lesmes
	Sacha Tejan
	Charles J. Miller

# Miller County Management Advisory Report State Auditor's Findings

## 1. Financial Condition

The financial condition of the 911 Emergency (E911) and Jail Funds remains poor. The amount of restricted Capital Improvement (CI) Fund monies used to support the E911 and Jail Funds is significant. As a result, the CI Fund may not have the monies needed to pay off outstanding debt. The following table reflects the activity of these funds for 2017 according to the audited financial statements, as well as the projected ending cash balances for 2018 from the county's budget.

	E911 Fund		Jail Fund	
	Year Ended December 31,			
	2018 (budget)	2017 (actual)	2018 (budget)	2017 (actual)
Beginning balance \$	(7,018)*	(24,707)	1	(27,206)
Receipts	240,200	224,963	699,150	815,457
Transfers in	678,925	658,733	607,000	357,169
Disbursements	905,883	858,988	1,295,675	1,145,419
Ending balance \$	6,224	1	10,476	1

\* The beginning balance of the 2018 budget for the E911 Fund was not the same amount as the ending balance per the audited financial statements.

If the county had not made these transfers, the E911 and Jail Funds would have had negative balances. In addition, sales tax monies in the CI Fund are restricted for capital improvement use only and cannot legally be used to cover deficits in other funds (see MAR finding number 2).

It is essential that the County Commission continue to address the financial condition of the E911 and Jail Funds in both the immediate and long-term future. To ensure the financial condition of the funds is improved, the County Commission should reduce spending where possible, evaluate controls and management practices to ensure efficient use of county resources, maximize all sources of revenue, and closely monitor county budgets.

A similar condition was noted in our 3 prior audit reports. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County*, issued in June 2015, reported the status, at that time, as in progress.

## Recommendation

The County Commission closely monitor and take necessary steps to improve the financial condition of the 911 Emergency and Jail Funds. The County Commission should also perform immediate and long-term planning and ensure receipts are maximized and disbursements closely monitored.

## Auditee's Response

*Due to declining tax revenues and increased equipment costs, the E911 Fund required support from the CI Fund. The Jail Fund experienced declining revenues because not all beds in the facility were filled and likewise required support from the CI Fund. The county has since increased the daily rate to*



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*other counties for the boarding of prisoners, and is working to ensure revenues are maximized to improve the financial condition of the county.*

## 2. Capital Improvement Sales Tax

Some capital improvement sales tax revenue may have been spent for purposes not allowable under state law. Approximately \$2,000,000 was collected from the capital improvement sales tax during the year ended December 31, 2017.

Section 67.700, RSMo, allows counties to impose a sales tax for any capital improvement purpose designated by the county in a ballot submitted to voters, and requires the monies received from the sales tax to be deposited in a separate account and used solely for the designated purpose. Pursuant to this state law, Miller County voters extended a 1/2-cent capital improvement sales tax levy in August 2010, for a period of 20 years. The ballot language specified the tax monies were to be used "for the purpose of funding capital improvements to county-owned buildings and paying costs of maintenance and utilization thereof. . . ."

The county did not track transfers to the E911 or Jail Funds to ensure the funding was spent in accordance with state law. According to the county's audited financial statements, the county transferred \$658,733 during the year ended December 31, 2017, from the CI Fund to the E911 Fund, and \$357,169 to the Jail Fund to subsidize those funds. The County Commission orders authorizing these transfers stated the transfers were for utilization of the Justice Center, but did not demonstrate how the amounts were determined. The County Commissioners stated operating costs of the county courthouse and jail (including salaries of employees) are allowable utilization costs of capital improvement sales tax monies. However, no documentation was available supporting how these expenditures met the purposes allowed by the capital improvement sales tax ballot of August 3, 2010. As a result, it is not possible to determine if the county spent this money for allowable purposes.

A similar condition was noted in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County*, issued in June 2015, reported the status, at that time, as partially implemented.

### Recommendation

The County Commission implement procedures to ensure capital improvement sales tax monies are tracked and spent in accordance with state law, whether transferred or spent from the Capital Improvement Fund.

### Auditee's Response

*The County Clerk implemented earmarks for specific line items on the budget to track the expenditures. The purposes of the funding will be included in any future transfer documentation from the Capital Improvement Fund.*





### 3. County Collector's Controls and Procedures

As noted in our 2 prior audit reports, controls and procedures for the County Collector's office need improvement. The County Collector did not prepare bank reconciliations during the year ended February 28, 2018. Also, the County Collector did not prepare a monthly list of liabilities for the bank accounts with liabilities. The County Collector indicated he reviews bank statements to ensure financial activity agrees with accounting records, but his review is not documented. The following table lists the bank balances at February 28, 2018.

Account	Bank Balance
Main account	\$ 15,773,641
Tax maintenance account	105,579
Lodging tax account	463
Bankruptcy account	317
Tax collection account - Bank No. 1 (1)	65,053
Tax collection account - Bank No. 2 (1)	36,429
Tax collection account - Bank No. 3 (1)	24,823
Tax collection account - Bank No. 4 (1)	101,657
<b>Total</b>	<b>\$ 16,107,962</b>

(1) The County Collector has agreements with local banks to accept tax payments during the months of November and December.

Without preparing monthly bank reconciliations and lists of liabilities, there is less assurance receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely. Further, without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

#### Recommendation

The County Collector ensure monthly bank reconciliations and lists of liabilities are prepared, and reconcile the list of liabilities to the reconciled bank balance. Any differences should be promptly investigated.

#### Auditee's Response

*The County Collector agrees and will endeavor to implement this recommendation.*

### 4. Property Tax System

Controls and procedures of the property tax system need improvement. Property taxes and other monies collected by the County Collector totaled approximately \$19.5 million during the year ended February 28, 2018.

#### 4.1 Annual settlements

The County Collector is consistently not performing one of his main responsibilities, which also violates state law. The County Collector has not filed an annual settlement for the years ended February 28 (29), 2015, 2016,



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2017, and 2018. The annual settlement for the year ended February 28, 2014, was not filed with the County Commission until March 26, 2015, after the issuance of our prior audit report.

Because the County Collector does not file annual settlements, the County Clerk cannot ensure taxes charged and credited to the County Collector each year are accounted for properly, and the County Clerk and County Commission cannot verify the County Collector's accounts.

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 imperative the County Collector file annual settlements. Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector and the County Clerk to certify the amounts to the state. Such procedures are intended to establish checks and balances related to the collection of property taxes.

#### 4.2 Aggregate abstracts

The County Clerk did not prepare the land and personal tax, back tax, or railroad and utility aggregate abstracts for 2014, 2015, 2016, or 2017. After we requested these reports, the County Clerk prepared the land and personal tax aggregate abstracts for 2016 and 2017 in May 2018, as well as the back tax aggregate abstracts for 2015 and 2016 in April 2018. However, land and personal tax abstracts for 2014 and 2015, the back tax abstracts for 2014 and 2017, and the railroad and utility tax aggregate abstracts for all 4 years have not been prepared.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue and State Tax Commission upon completion of current and delinquent tax books.

#### 4.3 Property tax system changes

The county has not adequately restricted property tax system access. The County Collector's office has access rights in the property tax system to make changes such as additions, abatements, and deletions, but can also make corrections or changes to information entered into the property tax system. Because the County Collector is responsible for collecting tax monies, the ability of personnel within this office to make changes to the property tax system represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of information.

The County Collector and his Deputy Collector indicated the data systems used by the County Collector's and the County Assessor's offices do not interface, so it is necessary for the County Collector's office to make changes



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to the tax statements. Although all changes are printed by the County Assessor and sent to the County Clerk's office for review, neither the County Clerk nor the County Commission reviews the changes made in the property tax system.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper.

Similar conditions  
previously reported

A condition similar to section 4.1 was noted in our 3 prior audit reports and section 4.3 in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County* (sections 3.1 and 4.1), issued in June 2015, reported the status, at that time, as in progress.

Recommendations

- 4.1 The County Collector prepare and file annual settlements in accordance with state law. In addition, the County Commission should ensure the annual settlements are filed and are carefully and fully examined to ensure tax book charges and credits are accurately reported.
- 4.2 The County Clerk prepare the back tax, land and personal tax, and railroad and utility aggregate abstracts and timely file them with the Department of Revenue and State Tax Commission.
- 4.3 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Commission should work with the County Collector to ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Auditee's Response

*The County Collector provided the following responses:*

- 4.1 *I agree and will work to correct this problem.*
- 4.3 *I agree with this recommendation. A new data system has been implemented that interfaces with the County Assessor's system. However, my staff still need access to perform additions and abatements in case this process does not work correctly. We will provide monthly reports of changes made in the system to the County Clerk for review.*



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*The County Commission provided the following response:*

4.1 *We will ensure the County Collector's annual settlements are reviewed when received.*

*The County Clerk provided the following response:*

4.2 *The County Clerk has completed all outstanding annual aggregate abstracts and will ensure timely completion in the future.*

*The County Commission and County Clerk provided the following response:*

4.3 *If a report of changes is provided by the County Collector, we will compare that report to the changes that have been approved.*

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## **5. Sheriff's Controls and Procedures**

Controls and procedures for the Sheriff's office need improvement. The Sheriff's office collected monies for civil fees, concealed carry weapon (CCW) permits, jail phone commissions, commissary commissions, and other miscellaneous receipts totaling approximately \$503,000 for the year ended December 31, 2017.

### **5.1 Segregation of duties**

The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. One clerk is responsible for receipting, recording, and depositing monies; making disbursements; and preparing the monthly bank reconciliation for the bond/fee bank account. Another clerk is responsible for the same duties for the commissary account and the CCW account.

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, disbursing, and reconciling 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.

### **5.2 Receipting and depositing**

Controls and procedures over receipting and depositing need improvement. Sheriff's office personnel do not obtain a report of receipts from the inmate money kiosks when removing money from the kiosks for deposit. The Administrative Assistant prepares each deposit slip to equal the amount removed, with no documentation to support the amount.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.



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### 5.3 Disbursements

The Sheriff does not disburse fees monthly to the County Treasurer as required by state law. For example, the county portion of CCW permit fees of \$398 collected in January 2017 was not disbursed to the County Treasurer until March 10, 2017.

To ensure all disbursements are accounted for properly and reduce the risk of loss, theft, or misuse of funds, fees received should be disbursed timely. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

### 5.4 Commissary liabilities

The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the 2 commissary accounts, and consequently, liabilities are not reconciled to the commissary's available cash balances and commissary net proceeds are not turned over to the county as required by state law.

At our request, the Sheriff's office generated a list of inmate balances for the commissary accounts totaling \$11,357 as of April 30, 2018. The April 30, 2018, reconciled bank balances for the accounts totaled \$73,142. After subtracting the inmate balances from the account balances, the accounts contain undistributed commissary net proceeds totaling \$61,785.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained. Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

### 5.5 Seized property

The Sheriff has not performed a physical inventory of seized property since 2015.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

### Similar conditions previously reported

Conditions similar to sections 5.1 and 5.4 were noted in at least our 4 prior audit reports, section 5.2 in our 3 prior audit reports, and section 5.5 in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County* (sections 5.1, 5.3, 5.5, and 5.6), issued in June



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2015, reported the status, at that time, as implemented for sections 5.1 and 5.3, and in progress for sections 5.5 and 5.6.

## Recommendations

The Sheriff:

- 5.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 5.2 Reconcile money received through the inmate kiosk to deposits and kiosk reports.
- 5.3 Disburse fees monthly to the County Treasurer in accordance with state law.
- 5.4 Prepare a monthly list of liabilities for the commissary account and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 5.5 Ensure a periodic inventory of seized property is conducted and reconciled to the list of seized property, and investigate any differences.

## Auditee's Response

- 5.1, 5.3,  
& 5.4 *We agree and have implemented this recommendation.*
- 5.2 *Our prior commissary vendor did not have this capability, but this has been implemented with our new vendor.*
- 5.5 *We agree and have performed an annual spot check inventory, but do not have the manpower for a full inventory at this time.*

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## 6. Senate Bill 40 Board's Controls and Procedures

### 6.1 Bidding

Improvement is needed in the Miller County Senate Bill 40 Board's (SB40 Board) controls and procedures over expenditures.

The SB40 Board did not advertise or obtain bids for the remodeling of the group home kitchen costing approximately \$7,300. The SB40 Board Secretary indicated she hired and made payment to the contractor for the work without any discussion or approval by the SB40 Board.



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Section 50.660, RSMo, provides bidding requirements, including advertising for bids involving expenditures greater than \$6,000. Routine use of a competitive procurement process for major purchases ensures the Board has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in SB40 Board's business. Documentation of the various bids received, the SB40 Board's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

## 6.2 Staff incentives

The SB40 Board awards gifts to employees in violation of the Missouri Constitution. During the year ended December 31, 2017, the SB40 Board purchased 21 gift cards totaling \$525 for employees as Christmas gifts.

These gifts represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution. Attorney General's Opinion No. 72, from June 14, 1955, states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." Additionally, Article VI, Sections 23 and 25, prevent local government from granting public money to any private individual, except as otherwise provided by law.

## Recommendations

The Senate Bill 40 Board:

- 6.1 Ensure projects are bid, including advertising for bids when applicable in accordance with state law, and maintain adequate documentation of decisions made.
- 6.2 Discontinue the practice of giving gift cards to employees.

## Auditee's Response

- 6.1 *This will be done prior to the next project the SB40 Board undertakes. Several persons were contacted for the contract work performed to no avail.*
- 6.2 *Nothing staff related comes out of the SB40 tax monies. SB40 tax money was not used to purchase gift cards. Gift cards were purchased from respective programs. These programs are Residential and Targeted Case Management.*

## Auditor's Comment

- 6.2 The SB40 Board's response states the gift cards were not purchased with property tax monies. However, all funds of the SB40 Board are public funds and subject to the criteria specified in the finding.



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## 7. Sunshine Law

The County Commission did not always comply with the Sunshine Law. The County Clerk prepared minutes for only 63 County Commission meetings out of an estimated 144 possible meetings held during the year ended December 31, 2017. Since minutes were not available for the remaining dates, it was unclear if meetings were held for all dates. Without minutes of all meetings, there is no record of the discussions held or support for the decisions made, and less assurance to the public that various statutory provisions are followed.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions.

### Recommendation

The County Commission ensure meeting minutes are prepared and maintained for all County Commission meetings.

### Auditee's Response

*The Presiding Commissioner now keeps notes to provide all information required by the Sunshine Law, and provides those notes to the County Clerk after each meeting to prepare official minutes.*

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## 8. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$23,000 in bad check restitution and fees, and \$64,000 in court-ordered restitution and fees during the year ended December 31, 2017.

### 8.1 Unidentified monies

The Prosecuting Attorney's bank account had \$5,346 of unidentified monies at December 31, 2017. The Prosecuting Attorney's clerical staff reconciles the bank balance to the identified liabilities on a monthly basis, and has documented unidentified balances accumulated by the prior Prosecuting Attorney. Since records are not sufficient to identify to whom this money is owed, it should be disposed of in accordance with state law.

Maintaining unidentified balances in the bank accounts increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

### 8.2 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As of December 31, 2017, 9 checks totaling \$1,014 had been outstanding for more than a year, with some checks dating back to 2014.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.





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Similar conditions  
previously reported

A condition similar to section 8.1 was noted in our 2 prior audit reports and section 8.2 in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 8.1 Disburse unidentified monies in accordance with state law.
- 8.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

- 8.1 *The current audit identifies \$5,346 in unidentified funds in the Prosecuting Attorney bank account and recommends disposal of the money according to law. The money was immediately disbursed to the State Treasurer's Office in accordance with the abandoned property law.*
- 8.2 *It is the Prosecuting Attorney's understanding based upon the State Treasurer's Office website that government entities such as the Prosecuting Attorney's office are required to hold property for 3 years before submission to the State Treasurer's Office. As such, unidentified money is often in the Prosecuting Attorney's bank account for extended periods to locate proper recipients. However, upon clarification from the State Treasurer's Office and the State Auditor's Office, monies may be submitted to the State Treasurer's Office sooner, so we will seek to return money on a 1-year basis as opposed to the past policy.*

# Miller County

## Organization and Statistical Information

Miller County is a county-organized, third-class county. The county seat is Tuscumbia.

Miller 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 119 full-time employees and 5 part-time employees on December 31, 2017.

In addition, county operations include a Senate Bill 40 Board and a Senior Citizens Service 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
Tom Wright, Presiding Commissioner	\$	32,175
Darrell Bunch, Associate Commissioner		30,145
Travis Lawson, Associate Commissioner		29,700
Deb Wiles, Recorder of Deeds		45,675
Clinton Jenkins, County Clerk		45,000
Benjamin Winfrey, Prosecuting Attorney		137,073
Louie Gregoire, Sheriff		50,000
Phil Lawson, County Treasurer		45,675
Timothy Bradley, County Coroner		16,000
Theresa Lupardus, Public Administrator		45,000
William Harvey, County Collector, year ended February 28,	45,675	
Joseph Cochran, County Assessor, year ended August 31,		45,675
Rick Wilson, County Surveyor (1)		

(1) Compensation on a fee basis.