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Missouri State Auditor

Dallas County



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YELLOW SHEET

Findings in the audit report of Dallas County

Financial Condition

The financial condition of various county funds is weakening. Cash balances of several county funds declined during 2008 and 2009 and are projected to decline in 2010. Sales tax, county aid road trust receipts, charges for services fees, and state assessment reimbursements have declined and are expected to continue to decline in 2010. Declines in funding for the Law Enforcement Sales Tax and Assessment Funds result in an increased burden on the General Revenue Fund. A potentially significant liability exists as a result of accumulated compensatory time for personnel of the road and bridge department and Sheriff's office. Additionally, the county allows law enforcement personnel more compensatory time than is provided for by the Fair Labor Standards Act of 1938.

County Disbursements

While the county bids routine purchases annually, problems were noted with bidding and/or bidding documentation related to several non-routine or unexpected purchases or repairs. Adequate supporting documentation was not obtained or retained for some travel related disbursements. The county's procedures to account for fuel use by the Sheriff's office and road and bridge department is lacking. The County Commission did not adequately review mileage reimbursement claims submitted by a part-time road and bridge department employee, and as a result, it appears the employee was reimbursed for more miles than were actually driven and for personal commuting miles.

Sheriff Controls and Procedures

Procedures have not been implemented to periodically review cases and dispose of related seized property items. While a manual log of seized property and evidence is maintained, it is not accurate or complete. The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and an owner of a campground for private security services, and a written agreement has not been entered into with the owner of the campground. Accounting duties are not adequately segregated. Conceal and carry weapon "new issue" permit receipt books could not be located for the period January 2008 through February 2009, receipt slips issued for renewals of conceal and carry weapon permits are not accounted for properly, and conceal and carry weapon permit receipts are held until the end of the month to be deposited.

Other findings in the audit report relate to adjustments posted to the Prosecuting Attorney accounting system, Circuit Clerk accrued costs, Recorder of Deeds passport fees, and meeting minutes of the County Commission and Emergency 911 Board.

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Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County

We have audited certain operations of Dallas County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Dallas County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. 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 operations, including certain revenues and expenditures.

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. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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.

The accompanying Management Advisory Report presents our findings arising from our audit of Dallas County.



Susan Montee, JD, CPA
State Auditor

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Dallas County Management Advisory Report State Auditor's Findings

1. Financial Condition

The financial condition of various county funds is weakening. The following table reflects the ending balances of various county funds for the last 3 years and the projected ending balance for 2010:

	General Revenue Fund	Special Road and Bridge Fund	Capital Improvement Sales Tax Fund
Cash Balance, December 31, 2007*	\$ 307,697	613,013	198,666
Cash Balance, December 31, 2008*	195,220	185,657	36,782
Cash Balance, December 31, 2009**	164,618	236,035	238,701
Projected Ending Cash Balance, December 31, 2010**	9,293	29,130	71,701

* Obtained from the county's audited financial statements.

** Obtained from the county's budget documents.

Sales tax receipts, which are a significant funding source of the General Revenue and Law Enforcement Sales Tax Funds, declined in 2009 from 2008 and are projected to continue to decline in 2010. Charges for services fees, which are collected by various county officials and transmitted to the county's General Revenue Fund, represent another significant funding source and are experiencing a similar decline. State reimbursements into the Assessment Fund accounted for approximately 34 and 30 percent of the fund's receipts for 2008 and 2009; however, the county anticipates these reimbursements will only account for approximately 20 percent of 2010 receipts. These declines in funding for the Law Enforcement Sales Tax and Assessment Funds result in an increased burden on the General Revenue Fund. The county anticipates significant transfers to the Assessment Fund (\$108,273) and Law Enforcement Sales Tax Fund (\$194,973) during 2010, representing increases of approximately 40 percent and 66 percent, respectively over amounts transferred in 2008.

Special Road and Bridge Fund and Capital Improvement Sales Tax Fund balances are also declining. Sales tax and county aid road trust (CART) receipts, which are significant funding sources of the Special Road and Bridge and Capital Improvement Sales Tax Funds, declined in 2009 from 2008 and are projected to continue to decline in 2010. The county is also planning several new projects in 2010, and the budget indicates the county plans to spend most of the available resources in these two funds. The projected ending cash balances are significantly lower than those reported in past years.

A potentially significant liability exists as a result of accumulated compensatory time for personnel of the road and bridge department and Sheriff's office. Employee compensatory balances totaling approximately \$39,800 (3,136 hours) have accumulated as of December 31, 2009.



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Additionally, the county allows law enforcement personnel more compensatory time than is provided for by the Fair Labor Standards Act of 1938 (FLSA). Currently, compensatory time is earned if a law enforcement employee works more than 40 hours in a week, while the FLSA only requires law enforcement personnel to earn compensatory time for any hours worked in excess of 171 hours in a 28 day cycle. This results in a greater financial burden for the county. The Sheriff and County Commission should review the current policy and consider providing compensatory time in compliance with the FLSA to reduce future compensatory time liabilities.

It is essential the County Commission address the financial condition both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all funding sources. Considering the financial condition of the above county funds, all county officials should carefully evaluate the use of county resources for reasonableness and benefit to the county.

Recommendations

The County Commission and other elected officials closely monitor and take necessary steps to improve the county's financial condition. The County Commission should perform long-term planning and take advantage of opportunities to maximize funding and offset costs. The County Commission and Sheriff should develop and implement a plan to reduce the county liability for compensatory time by allowing time off or paying for accumulated compensatory time and work to better control compensatory time earned. The Sheriff and County Commission should also consider providing compensatory time in accordance with FLSA guidance.

Auditee's Response

The County Commission provided the following written response:

The road and bridge department has made progress in reducing the number of compensatory hours accrued by employees. The Sheriff's office is having difficulty doing so due to being short of employees. The County Commission will discuss paying law enforcement personnel in compliance with the FLSA with the Sheriff.

County officials are aware of the financial condition of the county and are making every effort to cut their expenses, but with two elections to fund this year, it will be difficult to see any gains.

2. County Disbursements

Controls and procedures over county disbursements including bidding, supporting documentation, fuel usage, and mileage reimbursements need improvement.



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2.1 Bidding

While the county bids routine purchases annually, problems were noted with bidding and/or bidding documentation related to several non-routine or unexpected purchases or repairs. For example, the county did not solicit bids, retain sufficient bid documentation, or document sole source procurement and reasons for selecting other than the low bid for some items or services including:

Item or Service	Cost
Road graders (5 year lease)	\$ 840,244
Road and bridge equipment repairs (2009 and 2008)	45,346
Excavation services (2008)	45,243
Heating and cooling system repairs (2009 and 2008)	24,058
Vehicle maintenance (2009)	13,805
Salt truck repairs	12,509

The excavation services were incurred as part of a federal emergency management assistance (FEMA) project. In addition to non-compliance with state law, there are additional requirements for services related to this federal disaster program. FEMA guidelines require a competitive bid process and compliance with applicable state and local procurement requirements. Compliance with federal program requirements are necessary to ensure maximum reimbursement for costs incurred, and reduce the possibility of repayments related to questioned costs or reductions of future federal funding.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

2.2 Supporting documentation

Adequate supporting documentation was not obtained or retained for some travel related disbursements. Examples include payments for hotel costs for the Local Emergency Planning Committee Director (\$340) and the Sheriff (\$1,060). The only documentation maintained for three hotel bills paid from the Law Enforcement Training Fund during 2009 were hand written notes from the Sheriff indicating the amount to be paid and the vendor.

All disbursements should be supported by paid receipts or vendor invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds. In addition, the county personnel policy states, "Lodging while away on county business or training will be reimbursed upon submission of original paid receipt".



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2.3 Fuel use

The county's procedures to account for fuel use by the Sheriff's office and road and bridge department is lacking. The Sheriff's office does not prepare mileage and fuel use logs, and while mileage and fuel use logs are prepared by the road and bridge department, fuel use is not adequately reviewed and reconciled to fuel purchases. The county purchased over \$147,000 and \$333,000 of fuel during the years ended December 31, 2009 and 2008, respectively. Mileage and fuel use logs are necessary to document the appropriate use of vehicles and to support fuel charges. In addition, proper monitoring of mileage and fuel use logs, and reconciliation of fuel use to fuel purchases is necessary. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

2.4 Mileage reimbursements

The County Commission did not adequately review mileage reimbursement claims submitted by a part-time road and bridge department employee, and as a result, it appears the employee was reimbursed for more miles than were actually driven and for personal commuting miles. The part-time employee submits monthly reimbursement claim forms to the County Commission which report the date, beginning and ending odometer readings, destination, purpose of each trip, and total miles driven in his personal vehicle. County mileage reimbursements to this employee were paid at a rate of 48.5 cents per mile and totaled \$2,567 during 2009 and \$9,776 during 2008.

Mileage reimbursement claims filed for January, June, and July 2009, and May and December 2008 included duplicate beginning and ending odometer readings, resulting in 653 miles or \$317 being reimbursed twice. The mileage claimed based upon the employee's description of destinations driven during May 2008 was overstated by 1,478 miles or \$717. The employee also claimed reimbursement of 58 miles on May 9, 2008, while his timesheet indicated he did not work. Most of the miles claimed for reimbursement are personal commuting miles from the employee's personal residence in Lebanon to Buffalo, which is approximately 26 miles one way, and the county did not report the personal commuting mileage to the IRS as a fringe benefit. Also, the May 2008 reimbursement claim form was not mathematically correct.

Mileage reimbursement claims should include only those miles actually incurred for county business and as allowed by county policy. Thorough review procedures are necessary to ensure mileage reimbursements are reasonable and accurate, and represent valid disbursements. The County Commission should determine whether reimbursing for personal commuting miles is reasonable and necessary. If it is determined to be necessary, reimbursement claims should provide sufficient details to distinguish between commuting and county business related mileage, and the county should comply with any applicable IRS guidelines for reporting fringe benefits related to commuting mileage reimbursements.



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Similar conditions
previously reported

Similar conditions to points 2.1, 2.2, and 2.3 were noted in our prior audit report.

Recommendations

The County Commission:

- 2.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- 2.2 Ensure adequate supporting documentation is obtained and retained for all disbursements and travel policies are followed.
- 2.3 Require mileage and fuel use logs be retained for Sheriff's office vehicles, review mileage and fuel use logs, and reconcile fuel use to fuel purchases. Any significant discrepancies should be investigated.
- 2.4 Thoroughly review mileage reimbursements for accuracy and reasonableness and reimburse employees for only actual miles driven in the course of county business. Also, the County Commission should determine whether personal commuting mileage will be reimbursed, and if so, require sufficient documentation on mileage reimbursement claims, and comply with applicable IRS reporting guidelines.

Auditee's Response

The County Commission provided the following written responses:

- 2.1 *We will implement procedures to do so. Most of the findings were due to emergency situations, but should have been documented, and we will be more diligent to document our decisions.*
- 2.2 *We will make sure documentation is presented before issuing payment for conference expenses and travel reimbursements.*
- 2.3 *We will try to find a way to track fuel purchases and usage.*
- 2.4 *We will adopt a policy to cover this issue.*

3. Sheriff Controls and Procedures

Controls and procedures over seized property and conceal and carry weapon permit receipts need improvement, the county needs to review whether private security services should be provided, and accounting duties are not adequately segregated.

The Sheriff's office collected civil and criminal process fees, cash bonds, board bills, and conceal and carry weapon permits during the years ended December 31, 2009 and 2008, totaling approximately \$139,000 and \$236,000, respectively.



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3.1 Seized property

Procedures have not been implemented to periodically review cases and dispose of related seized property items. We identified \$9,957 of seized cash on hand as of January 28, 2010, with \$7,292 related to cases already disposed of in court dating back from 2005 to 1998. The Sheriff's office has not requested the court to review these cases and order disposition of the funds. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft, and the related potential liability of the county for such possible improper access or use.

While a manual log of seized property and evidence is maintained, it is not accurate or complete. The log did not always document the accurate storage location of property/evidence or its disposition. In addition, evidence bags containing some of the cash noted above did not always document the case number, suspect's name, or date of seizure. Further, a physical inventory of all seized property has not been conducted in several years.

Considering the often sensitive nature of the seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. Inventory control records and evidence bags should include information such as description, persons involved, current location, case number, date of seizure, and disposition of such property. In addition, periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property is accounted for properly.

3.2 Private security services

The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and an owner of a campground for private security services, and a written agreement has not been entered into with the owner of the campground. Two employees of the Sheriff's office use county property while performing duties as part-time security employees of a privately owned campground. These two individuals perform this work in official county uniforms, use county owned vehicles and communication equipment, and are paid by the owner of the campground.

The county should request its Prosecuting Attorney to review this arrangement to determine whether these services should be provided. If the services are provided, a written agreement should be entered with the owner of the campground. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

3.3 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's Chief Administrator receives, records, deposits, and disburses all monies and reconciles the bank accounts. The Sheriff only documented his review of three monthly bank reconciliations during the 2 years ended December 31,



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2009. In addition, the Chief Administrator is the only person trained to perform these accounting duties, and as a result, these duties are not performed when she is absent from work.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. In addition, cross-training of employees would provide the Sheriff with employees capable of temporarily performing these accounting duties in the absence of the Chief Administrator. If proper segregation of duties cannot be achieved, at a minimum, more frequent supervisory reviews of receipts and deposits, bank reconciliations, and liabilities should be performed and documented by the Sheriff.

3.4 Conceal and carry weapon permits

Controls and procedures over conceal and carry weapon permits need improvement. Conceal and carry weapon "new issue" permit receipt books could not be located for the period January 2008 through February 2009, and primarily cash receipts are accepted for both new issue and renewal conceal and carry weapon permits. According to monthly reports prepared by the Sheriff's office, these receipts totaled approximately \$2,300 during this time period.

In addition, receipt slips issued for renewals of conceal and carry weapon permits are not accounted for properly. The receipt slips used are not prenumbered. Rather, the conceal and carry weapon permit numbers are written on the receipt slip, and as a result, the receipt slips are not sequentially numbered.

Conceal and carry weapon permit receipts (new issue and renewal) are held until the end of the month to be deposited. For example, \$444 and \$360 of conceal and carry weapon permits collected throughout the month of February and March 2009, were not deposited until February 27, and March 31, 2009, respectively.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, states all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law. Receipt slips should be issued in sequential order and accounted for properly. Additionally, the failure to deposit timely increases the risk of theft or misuse of funds.

Similar conditions previously reported

Similar conditions to points 3.1, and 3.3 were noted in our prior audit report.



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Recommendations

The Sheriff:

- 3.1 Obtain written authorization from the court to dispose of these seized monies, and dispose of the monies in accordance with court orders. The Sheriff should also require all seized property/evidence be properly recorded on evidence bags and an inventory control log. In addition, a periodic inventory should be taken and reconciled to the log.
- 3.2 Work with the County Commission and request the Prosecuting Attorney review these services to determine whether they should be provided, and if so, enter into a written agreement with the owner of the campground.
- 3.3 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are routinely performed and documented. In addition, the Sheriff should cross-train employees to fill these accounting duties when the Chief Administrator is absent.
- 3.4 Retain financial records in a secure location, issue prenumbered receipt slips for renewals of conceal and carry weapon permits, and deposit monies in a timely manner.

Auditee's Response

The Sheriff provided the following written responses:

- 3.1 *I have plans to expand the evidence room and perform an inventory of all evidence and property in the evidence room. This inventory is planned to be completed no later than the end of year (2010). As the inventory is completed and reviewed, the evidence officer will make requests for disposal of certain pieces of evidence/property with the Prosecutor and Associate Circuit Judge. All evidence will be reviewed on a case by case basis for its appropriateness of disposal. A high priority for consideration for disposal will be any money or negotiable instruments seized by my office.*
- 3.2 *During the summer months, the county experiences a large influx of visitors, largely in part to the popularity of the Niangua River and the camping and canoeing outfitters providing services on the river. The majority of the visitors ultimately stay overnight at various campgrounds along the river.*

Throughout the year, the Sheriff's office is able to make do and handle calls for service with one or two deputies on duty during the evening and overnight shifts. The need for extra/specialized assistance is handled by other deputies being on an on-call status.



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Throughout the year, when a deputy must be called on during their on-call status, it is usually for one incident at a time, and does not greatly impact or take away from law enforcement services for the rest of the county.

During the summer months, there is historically a large increase in calls for service to the campgrounds and canoe outfitters on the Niangua River. These calls are not limited to, but include incidents involving drunkenness, drug possession and use, and physical and sexual assaults. The deputies that respond have to enter areas where there are several hundred people present, many of whom are under the influence of alcohol and/or drugs. For officer safety reasons, the deputies normally respond to calls in pairs.

A few of the campgrounds have acknowledged that the customers that visit their campgrounds do cause issues, and the law enforcement response needed is unique to their location and puts a large burden upon the rest of the county. The campgrounds have in turn come to me, as Sheriff, and the County Commission for assistance, offering to pay for off-duty deputies to work in their campgrounds, enforcing state law in and around their campgrounds. The campground owners request specific numbers of deputies depending on the amount of reservations they have booked with their business.

As part of the agreement with the campground and deputies working off-duty for the campgrounds, the off-duty deputy may be needed to respond as a back-up for another deputy or to quell a disturbance on or near a river at another campground. When the off-duty deputy is called away from the hiring campground, the off-duty deputy is relieved and able to report to the hiring campground when the on-duty deputy arrives on scene. The deputies wear the standard uniform of the Sheriff's office, act as a commissioned deputy, while enforcing state law, and to drive and have available to the off-duty deputy a marked patrol car. The patrol cars have all the tools, forms, and markings needed for effective uniformed patrol of the campgrounds and areas around the campgrounds.

Included as part of the agreement, the hiring campground carries all workman's compensation liability for the off-duty deputy while working for the campground. The use of the patrol car was reviewed by the County Commission and me prior to the 2009 summer season. It was agreed that the off-duty deputies would car pool to the campgrounds in one patrol car, unless more were needed to transport more off-duty deputies.



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The partnership between the campground owners and the Sheriff's office has provided better law enforcement services to the Niangua River area and the county. The campground owners have taken the financial liability of the off-duty deputies pay and workman's compensation, allowing the county to save money. The Sheriff has provided the law enforcement commission for the off-duty deputies, equipment, vehicles, and gas for the service provided by the off-duty deputies. The only ongoing expense the Sheriff's office experiences in this agreement is the cost of fuel and wear and tear of equipment. The vehicles are usually parked and turned off during much of the time the off-duty deputy is at the campground.

It is ultimately viewed that the savings experienced and the effective use of the on-duty deputies for the rest of the county far outweigh the option of not having the agreement for off-duty deputies working the campgrounds.

- 3.3 *The administrative duties of the Sheriff's office do fall upon one person, the Chief Administrator. As a small office, in order to provide court security, jail operations, and general law enforcement, the Chief Administrator is the only position tasked and able to perform the administrative duties of the Sheriff's office. Most of the other personnel at the Sheriff's office have multiple duties within the office, to make up for fewer numbers in staff over the past few years.*

While I do not immediately review all of the duties of the Chief Administrator, I have directed the Chief Administrator how to perform the tasks. The accounts of the Sheriff's are reviewed continually by the Chief Administrator, the bank, the County Clerk, and the County Treasurer. I receive a monthly budget report from the County Clerk, showing line item balances.

A Sheriff's deputy has been trained and performs some of the duties of the Chief Administrator when the Chief Administrator is away from the office for extended periods of time or on vacation. This usually occurs one to two times a year. During these times, the deputy is instructed to report any issues in the administration of the office directly to me for review.

- 3.4 *While there is no excuse for the misplacement or loss of a Sheriff's office receipt book, I, as Sheriff, am confident that all fees collected for these permits were subsequently deposited at the end of the respective months. Also, while the receipt book is either missing or lost, there is no reason at this time to believe the receipt book was discarded knowingly or in a malicious manner.*



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The Chief Deputy is responsible for the administration of the permits, while the Chief Administrator is responsible for depositing all monies the Chief Deputy receives for the permits. Neither person has reported any issue with the procedures in place up to this time.

A review of all handlings of monies received by the Sheriff's office staff will be coming soon. Consideration will be given for the use of a cash receipt book that is individually numbered and the frequency of deposit of monies received for the permits.

The County Commission provided the following written response:

3.2 *We have requested a clarification of coverage from our property and liability insurance company regarding the use of county equipment and deputies wearing county uniforms while working after hours at a local campground.*

We have written an agreement between the campground owner and the county regarding the use of county equipment and the officers wearing county uniforms while working for him. In the agreement, we are asking for an additional \$1,000,000 liability coverage and that Dallas County be named an additional insured. Our Prosecuting Attorney reviewed the agreement and approved it. The agreement has been mailed to the campground owner.

4. Prosecuting Attorney Adjustments

There was no independent approval to support adjustments posted to the accounting system, and adequate documentation of such adjustments was not retained. For example, a \$2,200 adjustment was made to a defendant's account on the bad check system in January 2009. The bad check clerk has the ability to post adjustments to the computer system without obtaining independent approval. To ensure all adjustments are valid, someone independent of receipting and recording functions should review and approve adjustments, and proper supporting documentation should be maintained for such adjustments.

Recommendation

The Prosecuting Attorney require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.

Auditee's Response

The Prosecuting Attorney provided the following response:

My office does not handle any cash, so the risk of theft is minimal. I do review reports periodically and have trust in my staff.



5. Circuit Clerk Accrued Costs

The Circuit Clerk does not have adequate procedures in place to monitor accrued costs owed to the Circuit Court. The Office of State Courts Administrator (OSCA) generated a report of accrued costs due to the Circuit Clerk as of December 4, 2009; the list totaled \$881,482. The Circuit Clerk indicated she monitors accrued costs owed related to unsupervised cases (cases not handled by probation officers) monthly. However, our review identified an unsupervised case with \$39,616 due (the largest amount due on the report), and the defendant had passed away on March 15, 2008. No action was taken by the court to determine whether the amount should be written off as uncollectible until we brought this to the Circuit Clerk's attention in January 2010. In addition, the balance of accrued costs has increased over \$300,000 since March 2005. To ensure amounts due are accurately recorded, and collection procedures are effective, the Circuit Clerk should establish better procedures to review accrued costs owed related to unsupervised cases and the accrued cost list.

A similar condition was noted in our prior audit report.

Recommendation

The Circuit Clerk establish better procedures over accrued costs.

Auditee's Response

The Circuit Clerk provided the following written response:

We are not on the state's debt collection program. We do monitor our costs on both supervised and non-supervised probation. Probation and Parole officers are very helpful with the supervised cases, and this office calendars both payment review hearings and due dates for payments so that unsupervised cases do not fall through the crack. In response to the statement "no action was taken by the court to determine whether the amount should be written off as uncollectible until we brought this to the Circuit Clerk's attention", I would very much disagree with this statement. The file was lying on my desk to discuss this matter with our Presiding Judge.

In response to the statement that the balance of accrued costs has increased over \$300,000 since March 2005, as I explained to the auditor, the costs due in criminal cases is not just court costs. Also included are public defender fees, crime victims compensation judgments, and restitution amounts. I would estimate that the actual amount due the court in all outstanding costs is less than one-half of the total amounts due. When billing criminal costs, the court fees are usually the smallest amount billed. Also during this time, the public defenders fees and board bill amounts have increased.

I will consider using the state's debt collection program to monitor the costs due; however I don't believe adding \$25 to a defendant's costs and placing



it with a contracted collection agency will be the magical answer to the cost collecting problem. You cannot get blood from a turnip.

6. Recorder of Deeds Passport Fees

Controls and procedures over passport fees need improvement.

According to bank statements, the Recorder of Deeds collected passport fees totaling approximately \$16,000 and \$20,000 during the years ended December 31, 2009 and 2008, respectively.

6.1 Receipting procedures

The Recorder of Deeds issues generic unnumbered receipt slips for passport fees received in cash or upon request. Without issuing and accounting for official prenumbered receipt slips for all passport fees collected, the Recorder of Deeds cannot ensure all passport fees collected are ultimately deposited.

6.2 Budgets

The Passport Execution Fund budget did not include all activity of the fund as follows:

	Actual Amounts Recorded on Budget	Actual Activity per Bank Statements	Difference
Cash Balance, January 1, 2008	\$ 4,207	4,389	(182)
Receipts	4,765	19,860	(15,095)
Disbursements	(4,342)	(19,619)	15,277
Cash Balance, December 31, 2008	4,630	4,630	0
Receipts	4,000	16,145	(12,145)
Disbursements	(2,743)	(15,236)	12,493
Cash Balance December 31, 2009	\$ 5,887	5,589	298

The Recorder of Deeds indicated passport fees collected and disbursed to the United States Department of State were not included in the budget.

To be of maximum assistance to county officials and adequately inform county residents, budget documents should be complete and accurate.

Recommendations

The Recorder of Deeds:

- 6.1 Ensure official prenumbered receipt slips are issued for all passport fees collected.
- 6.2 Ensure the Passport Execution Fund budget is accurate.



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Auditee's Response

The Recorder of Deeds provided the following written responses:

- 6.1 *I will have a numbered receipt book made and write receipts for checks and cash.*
- 6.2 *I will have a ledger made and keep track of the activity of the amounts taken in and report these amounts on the budget.*

7. Meeting Minutes

Meeting minutes of the County Commission and Emergency 911 Board need improvement.

The County Commission's open meeting minutes did not disclose the reason for entering into closed sessions held on February 25 and 26, 2008, and meeting minutes were not prepared for these closed sessions. Also, there was no evidence a roll call vote was taken during open meetings to close the meetings.

The Emergency 911 Board's open meeting minutes did not disclose the reason for entering into closed sessions held on February 7 and October 28, 2008, and information provided in the related closed session minutes was not sufficient to demonstrate that issues discussed and votes taken were allowable under the Sunshine Law. For example, during the February 7, 2008, closed session meeting, the Board discussed increasing the Director's salary, vacation and sick leave, and retirement benefits.

The Sunshine Law, Chapter 610, RSMo, requires the vote of each member of the governmental body and specific reason for closing a public meeting to be recorded in the open meeting minutes, and requires that minutes of closed meetings be prepared. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. Meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support decisions made.

A similar condition related to County Commission minutes was noted in our prior audit report.

Recommendation

The County Commission and Emergency 911 Board ensure reasons for closing a meeting are documented, only allowable topics are discussed, sufficiently detailed minutes of closed session meetings are prepared, and a roll call vote is taken during open meetings to close any meetings, as applicable.

Auditee's Response

The County Commission provided the following written response:

Although the minutes of February 25 and 26, 2008, did not specify the exact reason for closing, they did state the meeting was with Attorney Doug



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Harpool. He is representing the county regarding a legal dispute with land owners and had requested the closed meeting. This was an oversight and will not happen again.

At the advice of an attorney, who spoke at a County Clerk conference a few years ago, we have not been keeping minutes of closed meetings if no action is taken. We will begin to keep minutes of all closed meetings.

If a roll call vote was not recorded, it was an oversight and we will be more diligent about making sure it is done in the future.

The Emergency 911 Board provided the following written response:

Although we list the reason in the agenda for closing Emergency 911 Board meetings, we will ensure the reason is also included in the minutes. In the future, the Emergency 911 Board will not discuss salary, vacation, sick leave, and retirement benefits for the Director in closed session, and during closed sessions where no board actions were warranted and only discussion took place, we will document our discussion in detailed minutes for the closed session.

Dallas County Organization and Statistical Information

Dallas County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Buffalo.

Dallas 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 judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

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

Officeholder	2010	2009
County-Paid Officials:		
Harold E. Morgans, Presiding Commissioner	\$	28,400
Rex "Pete" Barclay, Associate Commissioner		26,400
Kenneth Bacon, Associate Commissioner		26,400
Stacy Satterfield, Recorder of Deeds		40,000
Pam Louderbaugh, County Clerk		40,000
Wayne K. Rieschel, Prosecuting Attorney		109,366
Mike Rackley, Sheriff		44,000
Becky Schofield, County Treasurer		40,000
Lamont Swanson, County Coroner		12,000
Carol Johnson, Public Administrator		25,000
Sheryl Ferrell, County Collector, year ended February 28,	40,000	
Emily Sue Doty, County Assessor, year ended August 31,		38,000
Greg Maynard, County Surveyor (1)		N/A
State-Paid Officials:		
Janice Hicks, Circuit Clerk		53,512
Cody A. Hanna, Associate Circuit Judge		109,366

(1) Compensation on a fee basis.