

OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY

WORTH COUNTY, MISSOURI

COUNTY COLLECTOR

PERIOD MARCH 1, 1998 TO OCTOBER 31, 1998

MARGARET KELLY, CPA



Report No. 99-08
January 6, 1998

WORTH COUNTY, MISSOURI
COUNTY COLLECTOR

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENT	1
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING	2-3
FINANCIAL STATEMENT	4-5
<u>Description</u>	
Exhibit Statement of Revenues and Expenditures, Period March 1, 1998 to October 31, 1998.....	5
NOTE TO THE FINANCIAL STATEMENT.....	6-7
MANAGEMENT ADVISORY REPORT.....	8-10
FOLLOW-UP ON STATE AUDITOR’S PRIOR RECOMMENDATIONS	11-12



STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

P.O. Box 869
(573) 751-4824

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

To the County Commission
and
County Collector
Worth County, Missouri

We have audited the accompanying statement of revenues and expenditures of the County Collector's Fund of Worth County, Missouri, for the period of March 1, 1998 to October 31, 1998, as identified in the table of contents. This statement is the responsibility of the County Collector. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues and expenditures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of revenues and expenditures referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures of the County Collector's Fund of Worth County, Missouri, for the period March 1, 1998 to October 31, 1998, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated December 10, 1998, on our consideration of the County Collector's internal controls over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grants.

A handwritten signature in cursive script that reads "Margaret Kelly".

Margaret Kelly, CPA
State Auditor

December 10, 1998



STATE AUDITOR OF MISSOURI
JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

P.O. Box 869
(573) 751-4824

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the County Commission
and
County Collector
Worth County, Missouri

We have audited the statement of revenues and expenditures of the County Collector's Fund of Worth County, Missouri, for the period March 1, 1998 to October 31, 1998, and have issued our report thereon dated December 10, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the statement of revenues and expenditures of the County Collector's Fund of Worth County, Missouri, is free of material misstatement, we performed tests of the County Collector's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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. The results of our tests disclosed no instances of noncompliance.

Internal Control Over Financial Reporting

In planning and performing our audit of the statement of revenues and expenditures of the County Collector's Fund of Worth County, Missouri, we considered the County Collector's internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the statement of revenues and expenditures and not to provide assurance on the internal controls over financial reporting. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the County Collector's ability to record, process, summarize, and report financial data consistent with the assertions of management in the statement of revenues and expenditures.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the statement of revenues and expenditures being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal controls that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the County Collector and the management of Worth County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Margaret Kelly". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Margaret Kelly, CPA
State Auditor

December 10, 1998

FINANCIAL STATEMENT

Exhibit

WORTH COUNTY, MISSOURI
COUNTY COLLECTOR
STATEMENT OF REVENUES AND EXPENDITURES

		Period March 1, 1998 to October 31, 1998
REVENUES		
Property taxes	\$	41,791
Interest		36
Other		5,307
Less provision for uncollectible accounts		(15,754)
Net Revenues		<u>31,380</u>
EXPENDITURES		
State of Missouri		171
General Revenue Fund		4,513
Special Road and Bridge Fund		5,173
Assessment Fund		248
Schools		17,732
Fire District		177
Ambulance District		551
Senior Citizens Services Fund		286
Nursing Home Fund		127
County Clerk		185
County Employees' Retirement		927
Commissions and fees:		
General Revenue Fund		<u>1,290</u>
Total Expenditures		<u>31,380</u>
REVENUES OVER EXPENDITURES	\$	<u><u>0</u></u>

The accompanying Note to the Financial Statement is an integral part of this statement.

Financial Statements

WORTH COUNTY, MISSOURI
COUNTY COLLECTOR
NOTE TO THE STATEMENT OF REVENUES AND EXPENDITURES

Summary of Significant Accounting Policies

The County Collector's Fund is an agency fund which is custodial in nature and does not involve measurement of results of operations.

The statement of revenues and expenditures for the period March 1, 1998, to October 31, 1998, reflects amounts as shown on the records of the County Collector on the modified accrual basis.

The County Collector had not yet been charged with the 1998 current taxes as of October 31, 1998.

The statement included in this report does not include any of the operating costs of the County Collector's office other than commissions retained. Operating costs are paid from the General Revenue Fund of the county.

MANAGEMENT ADVISORY REPORT

WORTH COUNTY, MISSOURI
COUNTY COLLECTOR
MANAGEMENT ADVISORY REPORT

We have audited the statement of revenues and expenditures of the County Collector's Fund of Worth County, Missouri, for the period March 1, 1998, to October 31, 1998, and have issued our report thereon dated December 10, 1998.

A vacancy in this office was created by the death of Connie Saville on October 31, 1998. Carol Ann Kerwin was appointed Worth County Collector effective November 20, 1998.

Section 52.150, RSMo 1994, requires the state auditor to conduct an audit of the office of County Collector after being notified of a vacancy in that office. The county is responsible for paying for the cost of this audit.

Section 52.150, RSMo 1994, specifically outlines the state auditor's responsibilities as follows:

1. Determine the financial condition of the accounts of the office of the County Collector.
2. Determine the proper compensation that should have been paid to the replaced County Collector in the past three years and the compensation actually paid during such period; and
3. File a report of her findings with the county governing body and the person appointed to fill the vacancy in the office of the County Collector.

Section 52.150, RSMo 1994, provides the county commission shall accept the report of the state auditor and take, if necessary, certain specific actions if the state auditor finds any monies owing to the county or the past County Collector. The County Collector received \$17,750 annually during the three years ended February 28, 1998, and \$11,833 for the period March 1, 1998 to October 31, 1998, in accordance with statutory provisions.

Accounting Controls and Procedures

Receipts were not always deposited intact and on a timely basis. The County Collector withheld cash from deposits to maintain a change fund that fluctuated between \$80 and \$90. The change fund was deposited at the end of the month and then cash was withheld from the next month's receipts to establish the fund again.

In addition, the County Collector occasionally held monies received when additional amounts for interest and penalties were due from the taxpayer. When the total amounts were finally received, the monies were deposited. In some instances, the County Collector did not deposit checks received if requested by the taxpayer but issued a paid tax receipt. When the taxpayer returned later in the month with cash, the check was returned to the taxpayer and the cash deposited.

WE RECOMMEND the County Collector deposit all monies received intact daily or when amounts exceed \$100. If a change fund is needed, it should be established and maintained at a constant amount.

AUDITEE'S RESPONSE

The current County Collector Kerwin indicated she has implemented this recommendation.

This report is intended for the information of the County Collector and the management of Worth County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

WORTH COUNTY, MISSOURI
COUNTY COLLECTOR
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Worth County Collector on recommendations made in the Management Advisory Report (MAR) of our report on Worth County issued for the three years ended December 31, 1997.

1. County Collector's Accounting Controls and Procedures

- A. The method of payment was not marked on tax receipts.
- B. Receipts were not always deposited intact and on a timely basis. The County Collector did not deposit checks received from taxpayers owing additional interest and penalties until the balance due was received. Some checks were held after a paid tax statement was issued.

Recommendation:

The County Collector:

- A. Ensure the method of payment is indicated on all tax receipts or other records. The cash, checks, and money orders received per the tax receipts or other records should be reconciled to the composition of bank deposits.
- B. Deposit all monies received intact daily. If a change fund is needed, it should be established and maintained at a constant amount.

Status:

- A. Implemented.
- B. Not implemented. See MAR.
