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Missouri State Auditor

Scott County



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Scott County

Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney has not established adequate procedures for receipting, recording, and depositing monies. The clerks do not issue manual receipt slips for all monies received, do not always document adequate receipt information for all monies received, and do not always restrictively endorse money orders immediately upon receipt. The restitution clerk does not always deposit monies intact and timely, and does not always deposit restitution monies before disbursements are made to the applicable party. The restitution clerk also does not prepare monthly lists of liabilities for the restitution bank accounts, and consequently, liabilities are not compared to the reconciled bank balances. The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records. Restitution monies are not always timely disbursed and the Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks.
Sheriff Commissary Account	The Sheriff has not adequately segregated accounting duties or performed supervisory reviews of accounting records relating to inmate monies. Office personnel do not prepare monthly lists of liabilities for the inmate account, and consequently, liabilities are not compared to the reconciled bank balances. The Sheriff's office has not turned over to the county treasury all profits earned on commissary and telephone card sales, inmate identification bracelet fees, and interest earned on the bank account. The Sheriff's office has not made adequate efforts to review and resolve old inmate commissary accounts. As of December 31, 2013, 357 inmates had inactive accounts totaling \$3,571. Also, the Sheriff's office is collecting a \$3 inmate identification bracelet fee that is not allowable by state law.
Sales Taxes	The county, as noted in our prior audit report, has exceeded the statutory maximum for general sales taxes allowed by Section 67.505, RSMo, by 1/2 of 1 percent. The county has imposed 2 sales taxes, totaling 1 percent, which exceeds the statutory maximum allowed. Additionally, the county has not properly reported property tax levy reductions to the State Auditor's office since 2009. The county has reported the sales tax rollback as a voluntary rollback.
Public Administrator's Annual Settlements	The Public Administrator does not timely file annual settlements, and 13 of the 14 settlements we reviewed were filed after the due date, including one settlement that was filed approximately 17 months after the due date.
Computer Controls	The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees of the County Collector's office and the County Clerk's office use the same shared passwords when accessing the computers in the respective offices. Sheriff's office employees are not required to change their password periodically and the passwords used to access the computers in the County Collector's office also are not required to be changed periodically.

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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THOMAS A. SCHWEICH

Missouri State Auditor

To the County Commission
and
Officeholders of Scott County

We have audited certain operations of Scott County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, was engaged to audit the financial statements of Scott County for the 2 years ended December 31, 2013. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2013. 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 financial transactions.

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

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

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

For the areas audited, we identified (1) deficiencies in internal 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 Scott County.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Scott County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney Controls and Procedures

Despite similar concerns noted in our prior audits, significant weaknesses continue to exist in the Prosecuting Attorney's controls and procedures. With the exception of sections 1.3 and 1.4, we have reported similar findings related to the Prosecuting Attorney's office in one or more of our prior reports. Due to the concerns noted below, we were unable to determine if all monies were accounted for, deposited, and disbursed properly.

The Prosecuting Attorney's office collected bad check payment and fees, court-ordered restitution and fees, and delinquent taxes totaling approximately \$169,700 for the year ended December 31, 2013.

1.1 Receipting, recording, and depositing monies

The Prosecuting Attorney has not established adequate procedures for receipting, recording, and depositing monies. The Prosecuting Attorney's office collects money orders for bad check payments and fees that are recorded and transmitted to the applicable party. Money orders are also collected for court-ordered restitution and fees, and these monies are recorded, deposited, and disbursed by check to the applicable party. We identified the following concerns:

- The clerks do not issue manual receipt slips for all monies received. The computerized accounting system has a function to issue pre-numbered receipt slips; however, the office does not use this function at the time receipts are collected. Instead, monies received for bad checks and restitution are not recorded in the computerized accounting system until monies are disbursed. In addition, case files do not always maintain the individual manual receipt logs used to record the monies received for that case. Since no complete record of receipts is maintained, the Prosecuting Attorney's office cannot reconcile receipts to deposits.
- The restitution clerk does not always deposit monies intact and timely. For example, monies collected on April 2, 2013, totaling \$155, were not deposited until April 16, 2013, even though monies collected on April 3, 2013, were deposited on April 4, 2013. In addition, \$800 collected on April 4, 2013, was not deposited until April 16, 2013, \$200 collected on April 25, 2013, was not deposited until May 14, 2013, and \$1,000 collected on June 13, 2013, was not deposited until July 3, 2013.
- The clerks do not always document adequate receipt information for all monies received. For example, monies deposited on March 7 and April 4, 2013, totaling \$100 and \$30, were not receipted or recorded in the computerized accounting system. Office personnel could not identify from whom these monies were received or to whom these monies should be disbursed. As a result, we could not determine if these monies were properly disbursed.



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- The restitution clerk does not always deposit restitution monies before disbursements are made to the applicable party. For 4 of the 15 restitution cases reviewed, the clerk issued disbursements from the bank account before the corresponding receipts had been deposited. For example, \$800 received on April 4, 2013, was disbursed on April 12, 2013, but not deposited until April 16, 2013, and \$1,000 received on June 13, 2013, was disbursed on June 19, 2013, but not deposited until July 3, 2013.
- The clerks do not always restrictively endorse money orders immediately upon receipt.

To ensure all receipts are accounted for properly and timely, the Prosecuting Attorney should consider utilizing the receipt slip function of the computerized accounting system and record all receipts on the system immediately upon receipt. If the Prosecuting Attorney believes it is not practical to utilize this computerized function, other procedures should be implemented to record all receipts immediately upon receipt.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk of loss, theft, or misuse of monies and the likelihood that errors will go undetected. Procedures should be established to ensure all monies received are properly receipted, promptly recorded, and deposited timely and intact.

1.2 Liabilities

The restitution clerk does not prepare monthly lists of liabilities for the restitution bank accounts, and consequently, liabilities are not compared to the reconciled bank balances. The Prosecuting Attorney has an old restitution bank account for cases prior to October 2013 and a new restitution bank account for cases as of October 2013. At our request, a list of liabilities was prepared for each account. For the old restitution account, identified liabilities totaled \$11,641 at May 30, 2014. The reconciled bank balance was \$31,315, leaving an unidentified balance of \$19,674. For the new restitution account, identified liabilities totaled \$10,298 at May 30, 2014. The reconciled bank balance was \$6,768, indicating a shortage of \$3,530. Monies in the restitution accounts include restitution monies and related fees, delinquent tax collections, and interest earned on bank balances.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient funds are available for payment of all liabilities.

1.3 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records. All 3 office clerks issue manual receipt slips for monies received; however, the primary



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accounting duties for bad check complaints and court-ordered restitution are divided between 2 clerks. One clerk is responsible for entering all information related to bad check complaints and payments (prior to charges being filed) in the computerized accounting system and for transmitting these payments and fees to the applicable party. A second clerk is responsible for entering all information related to court-ordered restitution (including bad checks filed with the court) and related payments into the accounting system, and disbursing these payments to the applicable party. This clerk is also responsible for performing bank reconciliations on the restitution bank accounts. The Prosecuting Attorney does not perform a documented supervisory review of the accounting records to ensure all monies received are properly recorded and transmitted/disbursed to the appropriate party.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement documented independent or supervisory reviews.

1.4 Disbursements

Restitution monies are not always timely disbursed. The Prosecuting Attorney's office generally does not disburse monies until restitution amounts owed are paid in full. As a result, some restitution monies are held for over one year before disbursement.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, restitution disbursements should be made timely.

1.5 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As a result, at May 31, 2014, 13 checks, totaling \$1,706, had been outstanding for over a year in the old restitution account, with some checks dating back to 2011.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law.

Recommendations

The Prosecuting Attorney:

- 1.1 Establish procedures to ensure all monies received are properly receipted, promptly recorded, and deposited timely and intact. In addition, ensure all money orders are restrictively endorsed immediately upon receipt.
- 1.2 Prepare a monthly list of liabilities for both restitution accounts and compare to the reconciled bank balances. Any differences should be



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promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

- 1.3 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented.
- 1.4 Disburse restitution receipts timely.
- 1.5 Develop procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 1.1 *We have implemented your suggestions as agreed. All issues under this bullet have been addressed and modified in the computer system. We are scanning in every transaction.*
- 1.2 *We have implemented your suggestion as to managing the liabilities by hand based on the lack of software for the older bad check programs that are no longer supported by any software and we plan to reconcile liabilities to reconciled bank balances for both accounts.*
- 1.3 *We have implemented the suggestion as agreed.*
- 1.4 *The straight restitution cases and tax cases will be disbursed as the payments are processed with an eye toward efficiency. Generally, the bad check cases will be disbursed as payment has been made in full on a given check. Many times we will get in multiple small payments over a period of months for one check. Some of the checks paid are old and the business has already written them off as a loss for the year. The administrative time, processing costs of paperwork and checks, and mail costs do not support sending out small payments on multiple occasions. For instance, it is inefficient to send out multiple payments on small amounts costing the county \$10 in costs when one complete payment may cost \$2.50. This practice saves time, money, and eliminates confusion for both the staff and the merchant who question the staff on what the small payments are supposed to be applied to in their books. We continue to track all payments to the appropriate account.*
- 1.5 *We have sent the monies to the State Treasurer and plan to routinely review outstanding checks.*



2. Sheriff Commissary Account

Accounting procedures and practices for the Sheriff's commissary account need improvement. The account is used for inmate monies, commissions earned on commissary and telephone card sales, inmate identification bracelet fees, and other miscellaneous receipts. Account deposits totaled approximately \$122,000 for the year ended December 31, 2013.

2.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties or performed supervisory reviews of accounting records relating to inmate monies. One clerk is responsible for maintaining accounting records, disbursing monies, and reconciling the bank account.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure bank records are in agreement with accounting records.

2.2 Liabilities

Office personnel do not prepare monthly lists of liabilities for the inmate account, and consequently, liabilities are not compared to the reconciled bank balances. At our request, a list of liabilities for the inmate account was prepared and identified liabilities totaled \$34,671, at December 31, 2013. The reconciled bank balance was \$41,537, leaving an unidentified balance of \$6,866.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient funds are available for payment of all liabilities.

2.3 Profits, fees, and interest

The Sheriff's office has not turned over to the county treasury all profits earned on commissary and telephone card sales, inmate identification bracelet fees, and interest earned on the bank account. The Sheriff's office held approximately \$20,200 in profits, fees, and interest in the inmate account as of December 31, 2013.

Section 221.102, RSMo (effective August 28, 2013), requires each county jail to keep revenues from its canteen or 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 (profits) into the county Inmate Prisoner Detainee Security Fund. In addition, to adequately account for collections and reduce the risk of loss, theft, or misuse of funds, all remaining monies should be disbursed to the County Treasurer monthly.

2.4 Inmate commissary balances

The Sheriff's office has not made adequate efforts to review and resolve old inmate commissary accounts. As of December 31, 2013, 357 inmates had



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inactive accounts totaling \$3,571. These inmates were released from the county justice center, but did not claim the balance in their commissary accounts.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. An attempt should be made to locate former inmates with commissary account balances. If the inmates cannot be located, or the check to the former inmate is not cashed, the Sheriff should dispose of the monies according to state law.

2.5 Inmate identification bracelet fees

The Sheriff's office is collecting a \$3 inmate identification bracelet fee that is not allowable by state law. According to office personnel, the fee is collected from inmates at the time of booking and covers the cost of the bracelet, which is used to identify the inmates, as well as the cost of criminal record folders used to maintain an inmate's information. There is no statutory authority allowing the Sheriff to charge and collect such a fee at the time of booking.

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties or ensure supervisory reviews of accounting records are performed and documented.
- 2.2 Prepare a monthly list of liabilities for the inmate account and compare to the reconciled bank balance. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.
- 2.3 Ensure existing and future commissary profits (including telephone card profits) not necessary to meet cash flow needs or current operating expenses are turned over to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. In addition, ensure all remaining monies are disbursed to the County Treasurer monthly.
- 2.4 Establish procedures to routinely review inactive accounts and timely disburse monies to former inmates. An attempt should be made to resolve unclaimed commissary balances. If the former inmates cannot be located, the monies should be disbursed in accordance with state law.
- 2.5 Discontinue charging and collecting the inmate identification bracelet fee at the time of booking.



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Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *Corrective action has already been taken. Inmate fund bank statements are reconciled by the clerk and reviewed for accuracy by the office manager. The office manager signs off and dates the bank reconciliations upon approval. We implemented this practice in May before the audit team left Scott County.*

- 2.2 *Corrective actions have been implemented and the projected time frame for completion is December 31, 2014. This issue is due to an accounting software change to Archonix, an unidentified balance of \$6,866 exists for the collection of monies for medical charges, telephone cards, e-cigs, inmate identification fees, and any prior booking negative balances, etc. The Archonix software lacked the proper tracking of inmate monies collected for these items. In an effort to resolve the tracking of these collected funds, we have worked hours with numerous Archonix employees requesting reports including detailed data of the funds. Archonix was UNABLE to resolve the accounting issues or provide the necessary reports forcing the Sheriff's office to return to the Keefe accounting software. Once the agreement was discontinued with Archonix, the company's assistance ceased, leaving us without the information we requested relating to inmate money collected for the above items. Our contact person with Keefe is continuing to work with us in an effort to assist with properly reconciling the unidentified balance to the best of her ability. The process has been time consuming because she travels and is not in the office weekly. The assistance she is providing goes above and beyond her regular job duties. Once this task is completed, she will provide us with a monthly report listing all liabilities to be used for reconciling cash balances. As you can see, we are working diligently to resolve this issue so that we can prepare these monthly lists and this recommendation will be implemented on a monthly basis.*

- 2.3 *All commissary commissions have been turned over to the county. All medical fees and fees collected for damages have been turned over to the county. Money collected for 2014 inmate identification fees, bank interest, and telephone card commissions remain in the inmate fund account to allow for sufficient cash flow funds for payment of all liabilities. Corrective actions for the remaining fees have been implemented.*

- 2.4 *Upon inmate release or transfer to another facility, any positive balance over \$1 left on account is mailed to the address given by the inmate or forwarded to the transferred facility. If the check is returned for a bad address, a phone call is made to the number*



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provided by the inmate in an attempt to forward the check to the correct address. If no contact can be established, the inmate's funds remain in his account to be used if he returns to our facility. Any inmate money less than \$1 is available for pick up in the office during normal business hours. We will establish procedures to routinely review inactive accounts and for any inmates not located, monies will be disbursed in accordance with state law.

2.5 *We will look into changing the charging of this fee and consider alternative means to collect this fee as a cost of incarceration.*

3. Sales Taxes

As noted in our prior audit report, the county exceeded the statutory maximum for general sales taxes allowed by Section 67.505, RSMo, by 1/2 of 1 percent. In addition, the county has not properly reported property tax levy reductions to the State Auditor's office for several years.

3.1 General sales taxes

The county has imposed the following 2 sales taxes, totaling 1 percent, which exceeds the statutory maximum allowed.

- In November 1979, voters approved a 1/2 of 1 percent general sales tax under Section 67.505, RSMo. The General Revenue Fund received approximately \$1.8 million in 2013 from this tax.
- In February 2009, voters approved an additional 1/2 of 1 percent general sales tax under Section 67.505, RSMo. This sales tax has an expiration date of December 31, 2016, and was to replace the expired law enforcement sales tax. The General Revenue Fund received approximately \$1.8 million in 2013 from this tax. Most of this sales tax is used for law enforcement.

The County Commission orders authorizing each of the issues to be placed on the ballot cited Section 67.505, RSMo, as the statutory authority. This section allows counties to impose a rate of 1/4, 3/8, or 1/2 percent. Although there is no provision against having two sales taxes under this section, the total sales tax cannot exceed 1/2 of 1 percent. Attorney General's Opinion No. 61, 1989 to Thompson, addresses a different but similar county sales tax law and states a county cannot exceed the 1/2 of 1 percent tax rate.

The prior audit recommended the County Commission consult with legal counsel to review the various sales taxes imposed and determine which are valid and what further action to take. The County Commission responded that the ballot language had been reviewed by legal counsel. However, the legal opinion did not address if the second sales tax complied with state law. The County Commission indicated voters will be asked to renew the second general sales tax in 2015.



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3.2 Property tax levy reductions

Prior to submitting any future sales taxes to voters for approval, the county should review the current sales taxes imposed, research the statutory requirements for current and proposed sales taxes, and determine an allowable sales tax statute to ensure the sales taxes do not exceed statutory limits.

The county has not properly reported property tax levy reductions to the State Auditor's office since 2009. Included in the ballot language for the general sales taxes discussed in section 3.1, were provisions to reduce property taxes by a percentage of sales taxes collected. With the passage of these ballot measures, the county agreed to reduce the General Revenue property tax levy by 100 percent of sales tax collected. However, the county has reported this sales tax rollback reduction as a voluntary rollback.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. The general sales tax passed in November 1979 included a provision to reduce property taxes by 50 percent of sales tax collected. The second general sales tax passed in February 2009 included a provision to reduce property taxes by 100 percent of sales tax collected.

The county is required to certify to the State Auditor's office the annual property tax levy including the amount the levy is reduced for sales tax collections, as well as voluntary reductions, if any. In 2009, the county incorrectly reported the reduction as voluntary instead of as a sales tax reduction. In 2010, the county certified a voluntary reduction and according to Section 137.073.5(4), RSMo (amended in 2008), a voluntary reduction taken in a non-assessment year (even year) results in a reduced tax rate ceiling during the subsequent reassessment year (odd year), causing the tax rate ceiling to be zero for the county in 2011 and thereafter. The county was apparently unaware the tax rate ceiling had been reduced to zero starting in 2011. The County Clerk believed that by reporting a tax rate of zero, the levy was being reduced for a sales tax reduction; however, the tax rate certification letter issued by the State Auditor's office indicated no tax rate ceiling, no sales tax reduction, no voluntary reduction, and a certified tax rate of zero for 2011, 2012, and 2013. Section 137.073.5(4), RSMo, allows the county to reinstate its tax rate ceiling and Section 137.073.6(3), RSMo (effective September 11, 2013), allows the county to submit amended tax rate forms to the State Auditor's office. After we discussed these concerns with county officials, the County Clerk took the necessary steps to correct the tax rate forms and reinstate the county's tax rate ceiling.

To ensure property tax levies are properly set and property tax rate ceilings are maintained, the County Commission and County Clerk should ensure property tax levy reductions are accurately calculated, reported, and certified. Documentation of tax rate setting decisions is important to



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demonstrate compliance with statutory provisions and ballot language and serve as a reference tool should questions arise.

Recommendations

The County Commission and County Clerk:

- 3.1 Review current sales taxes imposed, research the statutory requirements for current and proposed sales taxes, and determine an allowable sales tax statute to ensure sales tax levies do not exceed statutory limits prior to submitting any future sales tax proposals to voters for approval.
- 3.2 Properly report property tax rate reductions (sales tax or voluntary). During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

Auditee's Response

The County Commission and County Clerk provided the following written responses:

- 3.1 *As stated in a past audit concerning the sales tax issue, the County Commission stands strong that the voters approved the sales tax as presented. The taxpayers have received a zero tax rate for County Real Estate and Personal Property taxes as stated in the ballot question. In 2015 the County Commission is planning to ask the voters to continue the 1/2 cent sales tax for a zero tax rate for the county taxes under Section 67.547, RSMo.*
- 3.2 *The county has not been charging a tax levy for County Real Estate and Personal Property since the sales tax was passed in 2009. The tax rate has been reported to be zero but was reported as a voluntary reduction instead of a sales tax reduction (rollback). The outcome is the same of not charging any county taxes. Tax rate forms have been resubmitted to the Missouri State Auditor and future reports will be submitted as recommended.*

4. Public Administrator's Annual Settlements

The Public Administrator does not timely file annual settlements. We reviewed settlements filed for 14 of the 208 wards or estates and noted annual and final settlements for 13 of the 14 wards or estates were filed after the Probate Clerk's due date, including one final settlement that was filed approximately 17 months after the due date. The Probate Clerk sends a reminder letter to the Public Administrator 30 days before a settlement is due. The Probate Clerk will send a second reminder if the settlement is not filed by the due date. Despite these procedures, settlements have been filed late.



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Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that loss, theft, or misuse of funds will go undetected.

Recommendation

The Public Administrator ensure annual settlements are filed timely.

Auditee's Response

The Public Administrator provided the following response:

Due to unavoidable circumstances, I was behind on the annual settlements. I am now caught up and future settlements will be completed timely.

5. Computer Controls

The County Commission has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees of the County Collector's office and the County Clerk's office use the same shared passwords when accessing the computers in the respective offices. Sheriff's office employees are not required to change their password periodically and the passwords used to access the computers in the County Collector's office also are not required to be changed periodically.

Passwords are required to authenticate access to computers. The security of a computer password is dependent upon keeping passwords confidential. However, since passwords are shared and do not have to be periodically changed, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission require unique passwords for each employee that are confidential and periodically changed to prevent unauthorized access to the county's computers and data.

Auditee's Response

The County Commission provided the following written response:

These issues were resolved immediately. The County Commission will add the recommendation of the State Auditor of unique passwords for each employee and being periodically changed to the County Personnel Policy.

Scott County

Organization and Statistical Information

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

Scott County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 108 full-time employees and 7 part-time employees on December 31, 2013.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

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

Officeholder	2014	2013
Jamie Burger, Presiding Commissioner	\$	38,229
Dennis Ziegenhorn, Associate Commissioner		35,820
Donnie Kiefer, Associate Commissioner		35,820
Tara L. Mason, Recorder of Deeds		54,270
Rita Milam, County Clerk		54,270
Paul R. Boyd, Prosecuting Attorney		116,858
Rick Walter, Sheriff		60,303
Glenda Enderle, County Treasurer		54,270
Scott C. Amick, County Coroner		19,302
Pam Dirnberger, Public Administrator		54,270
Mark Hensley, County Collector (1), year ended February 28,	62,362	
Teresa Houchin, County Assessor, year ended August 31,		54,270

(1) Includes \$8,092 of commissions earned for collecting drainage taxes.