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Missouri State Auditor

Dallas County

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Findings in the audit of Dallas County

Sheriff Accounting Controls and Procedures	Controls and procedures for receipting, recording, transmitting, and depositing bond monies are poor. As a result, the Sheriff's office could not account for some cash bonds totaling \$1,055. The Sheriff has not established adequate segregation of accounting duties or review and approval procedures. Receipting and depositing procedures performed by the Chief Administrator are in need of improvement, and the controls and procedures for receipting and recording concealed carry weapon fees by the Chief Deputy are not sufficient. In January 2014, the Sheriff selected a vendor to provide commissary items to inmates, but did not enter into a written agreement with the vendor. In addition, the Sheriff does not properly control his signature stamp.
Sheriff Seized Property and Inmate Monies	As noted in our prior 2 audits, the Sheriff has not implemented procedures to periodically review cases and dispose of related seized cash. In addition, a physical inventory of all seized property has not been conducted since January 2011. Also, property intake forms completed when an inmate is booked into the jail are not prenumbered and both the inmate and officer did not always sign them at the time of arrest or release. The Sheriff did not handle inmate monies consistently.
County Procedures	County employees prepare multiple records regarding fuel use, but do not always complete the records properly and use them to reconcile to fuel billings. The Sheriff and 3 of his deputies use their county vehicles to transport family members to work, school, and daycare, against county policy. In addition, 20 employees of the Sheriff's office carried forward a total of 1,828 in vacation hours from December 2013 to January 2014, and the county had no documentation approving the carryover of this leave.
County Assessor Controls and Procedures	County Assessor's office personnel issue unofficial generic receipt slips rather than official prenumbered receipt slips for plat book receipts, and receipt slips are not issued for other types of monies received. The method of payment is not always indicated on the receipt slips. Our review of receipts and transmittals identified \$60 in cash received that was apparently not transmitted to the County Treasurer. The County Assessor's office also does not prepare monthly reports of fees as required by law.
Prosecuting Attorney Controls and Procedures	The Prosecuting Attorney's clerk does not timely transmit bad check and criminal restitution to victims and bad check fees to the County Treasurer. The Prosecuting Attorney has not established adequate procedures to ensure charges are filed timely with the court for unresolved bad check complaints. Additionally, the Prosecuting Attorney's office does not generate a monthly list of unpaid bad checks and restitution, and is not proactive in identifying cases with unpaid receivables.

Public Administrator Controls and Procedures	The Public Administrator does not adequately review the annual settlements prepared by attorneys, and she filed some incomplete or inaccurate annual settlements filed with the Associate Circuit Court. The Associate Circuit Court does not perform sufficient reviews of the annual settlements, and as a result, the same errors and omissions also went undetected by the court.
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Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Fair**.* However, the audit revealed serious shortcomings with the Sheriff's office.

*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 Dallas County

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



Thomas A. Schweich
State Auditor

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Dallas County

Management Advisory Report

State Auditor's Findings

1. Sheriff Accounting Controls and Procedures

Significant weaknesses exist in accounting controls and record-keeping procedures in the Sheriff's office. The Sheriff's office processed approximately \$132,000 in civil and criminal process fees, concealed carry permits, bonds, and other miscellaneous receipts during 2013.

1.1 Bond monies

Controls and procedures for receipting, recording, transmitting, and depositing bond monies are poor. As a result, the Sheriff's office could not account for some cash bonds. Deputies or jailers collect cash bonds, issue bond receipt slips, and prepare the related bond forms and booking reports. The deputies or jailers slide the bond monies and the bond form under the Chief Deputy's office door. The Chief Administrator obtains the bond monies and bond form for processing. The original bond form is filed with the court and the Chief Administrator makes a copy for her records.

- Cash bonds totaling \$1,055 were not deposited. A review of the copy of the related receipt slips showed the same former jailer issued the receipts for these bonds in September 2012 and September 2013, and someone marked void in ink on the carbon copies after issuance. Also, the original (top) copies of the receipt slips and the related bond forms were not retained.

We notified the Sheriff of our concerns on June 12, 2014, and he contacted the Missouri State Highway Patrol (MSHP) to investigate possible unaccounted for monies. We provided requested information to the MSHP on September 17, 2014. Due to poor records, the MSHP could not determine if there was criminal activity.

- Bond forms are not prenumbered and voided bond forms are not retained. Office personnel indicated it is the Sheriff's office practice to shred voided bond forms.
- Deputies or jailers did not prepare booking reports for 6 defendants arrested even though bond receipt slips were issued for cash bonds totaling \$1,097.
- Documentation is not maintained to support the transmittal of bond monies from deputies and jailers to the Chief Administrator.

The Chief Administrator did not always deposit bond monies intact and timely. For example, receipt number 2293 was issued on January 31, 2014, for a \$200 cash bond, but was not deposited until February 5, 2014, while receipt number 2295 was issued on February 2, 2014, and was deposited on February 3, 2014. In another example, a \$1,000 cash bond received on October 3, 2013, was held and not deposited until October 7, 2013. These examples are exceptions to the office's typical practice to deposit more timely. Because these monies were held for



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more than the typical timeframe prior to deposit, multiple individuals handled these monies without adequate transmittal records, and records were not sufficient in some cases, these monies are at greater risk of loss, theft, or misuse.

Properly receipting, recording, transmitting, and depositing bond monies is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

1.2 Segregation of duties

The Sheriff has not established adequate segregation of accounting duties or review and approval procedures. The Chief Administrator performs the duties of receiving, recording, depositing, and disbursing monies, and preparing month-end bank reconciliations for the Sheriff's 2 bank accounts (fee and inmate/commissary account). In addition, the Chief Administrator is an approved signer on the Sheriff's bank accounts that require only 1 signature on checks. Neither the Sheriff nor other office personnel perform a documented review of accounting and bank records or complete a comparison of monies received to those deposited.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records are essential.

1.3 Receipting and depositing procedures

Receipting and depositing procedures performed by the Chief Administrator need improvement. The method of payment (cash, check, or money order) is not recorded on receipt slips, and as a result, the composition of receipts is not reconciled to the composition of deposits. In addition, the Chief Administrator does not include an itemized listing of cash, check, and money orders on deposit slips. Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors.

1.4 Concealed carry weapon fees

Controls and procedures for receipting and recording concealed carry weapon (CCW) fees by the Chief Deputy are not sufficient. The Chief Deputy does not issue prenumbered receipt slips for CCW permits (new permits and renewal permits). In addition, the original receipt number issued for a new permit is used again for the renewal permit, and as a result, receipt slips for renewal permits are not issued in sequential order. The Chief Deputy also did not issue receipt slips for some CCW permits, and the method of payment (cash, check, or money order) is not always recorded on the related receipt slips. Properly receipting and recording CCW fees is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.



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1.5 Written agreements	In January 2014, the Sheriff selected a vendor to provide commissary items to inmates, but did not enter into a written agreement with the vendor. 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 for political subdivisions to be in writing.
1.6 Signature stamp	The Sheriff does not properly control his signature stamp. He allows the Chief Administrator to apply the signature stamp to timesheets documenting his supervisory approval, but does not subsequently review use of the stamp. The Chief Administrator used the Sheriff's signature stamp to approve 12 of 18 of her monthly timesheets from January 2013 to June 2014, and the Sheriff did not document a subsequent review of these timesheets. Additionally, in August 2013, the Chief Administrator used the Sheriff's signature stamp to approve her request for payment of 100 hours of compensatory time, and in December 2013, the stamp was used to approve a deputy's request for payment of 95 hours of compensatory time. Allowing employees to apply a signature stamp to their timesheet and payment requests reduces controls over payroll and could lead to improper payroll claims. If the Sheriff is unavailable to sign timesheets or other payroll records, he should subsequently document his review of documents approved using his signature stamp.
Similar conditions previously reported	Conditions similar to points 1.2, 1.4, and 1.5 were noted in our prior audit report.
Recommendations	<p>The Sheriff:</p> <ol style="list-style-type: none">1.1 Should ensure all copies of voided receipt slips are retained, the numerical sequence of receipt slips is accounted for properly, prenumbered bond forms are issued, retained, and accounted for properly; the transmittal of bond monies between persons is documented, and bond monies are deposited intact and timely.1.2 Segregate accounting duties to the extent possible or ensure adequate independent or supervisory reviews of accounting and bank records are performed and documented.1.3 Ensure the Chief Administrator issues receipt slips with the method of payment documented, reconciles the composition of receipt slips to the composition of deposits, and maintains an itemized list of receipts included in deposits.



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- 1.4 Issue official prenumbered receipt slips with the method of payment documented for CCW fees, and reconcile the composition of receipt slips to the composition of deposits.
 - 1.5 Enter into written agreements defining services provided and benefits received.
 - 1.6 Limit use of the signature stamp and document a subsequent review of the documents approved using the signature stamp.

Auditee's Response

The Sheriff provided the following written response:

- 1.1 *I, Sheriff Rackley, have reviewed all procedures for the receipt and handling of bond monies, which have been in place for my office and previous Sheriffs.*

In regards to the missing receipts, I have turned over the findings of the Auditor's office to the Missouri State Highway Patrol – Division of Drug and Crime Control (DDCC). DDCC and I have followed up with the affected arrestee and no documentation has been found to substantiate that any bond monies were missing. Since the discovery of the missing original receipts, no receipt is to be written until monies are received and confirmed by 2 employees. It was also the practice of the Sheriff's office, if a receipt was voided, the original would be shredded and the yellow carbon copy was retained and "void" written across the receipt in an effort to avoid the original being issued. All of the yellow voided carbon copy receipts were still intact in the receipt book(s). New receipt books have been purchased that are numbered for tracking purposes.

The failure of my deputies to book subjects into the jail on 6 occasions is not acceptable and is a mistake that can't be made in the future. By reviewing daily jail bookings, bonds received and warrants served and ongoing training, this issue has been remedied. It was my review and finding that all bond monies were accounted for and subjects who were arrested and bonded were properly receipted for their monies and the appropriate courts were properly notified of the receipt of the bond monies.

I reviewed time sheets of the Chief Administrative Officer, dating from September 2013 to February 2014, in review of the bond receipts. Bond receipt number 2293 was dated January 31, 2014, and was in the Jail Administrator's office until being turned over to the Chief Administrative Officer on February 4, 2014, and subsequently deposited on February 5, 2014. Bond receipt number 2295 was dated Sunday, February 2, 2014. The Chief



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Administrative Officer subsequently deposited the monies on Monday, February 3, 2014. Bond receipt number 2213 was received on Thursday, October 3, 2013, after the Chief Administrative Officer had left for the day. The monies were not received and deposited by the Chief Administrative Officer until October 7, 2013, due to sick and scheduled days off.

Out of the hundreds of bonds in excess of \$200,000 the Sheriff's office processed over the audited years, not once were there monies unaccounted for. Delays in depositing any funds the Sheriff's office is in receipt were attributed to scheduled days off and unexpected sick or personal days of the Chief Administrative Officer. It is my finding that all bond monies were deposited in a timely manner. All bond monies were placed in the Chief Deputy's locked office, with jailers sometimes mistakenly placing bond monies in the Jail Administrator's locked office, subsequently received by the Chief Administrative Officer and then deposited.

The Sheriff's office has discarded all previous receipt books. At the recommendation of the Auditor's office and to come into compliance with the recommendation, I have purchased numbered receipt books and a drop safe and am accounting for the numerical sequence of receipt slips issued. I have also purchased prenumbered bond forms and am ensuring the numerical sequence of all bond forms is accounted for and copies of all voided bond forms are retained. During the audit, procedures were changed and all receipted monies are now placed in a secure drop safe that is only accessed by the Chief Administrative Officer and Jail Administrator and the receipts are signed by the Chief Administrative Officer when monies are receipted from the drop safe.

- 1.2 *The Sheriff's office is a small office with only one person assigned to the administration of the office, the Chief Administrative Officer. All other staff are assigned multiple duties to include but not limited to jail, inmate food, cleaning, courts, transports, civil service, Missouri Uniform Law Enforcement System (MULES) operations, patrol and investigations.*

The Chief Administrative Officer is responsible for all of the accounting and personnel management of the office. I do review from time to time the work that is completed by the Chief Administrative Officer and have found the accounting and personnel management to be completed properly. The Chief Administrative Officer and I do assign tasks to other personnel from time to time to assist in the accounting of the office.



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The Chief Administrative Officer, in my review is the position and person best trained and equipped to handle the accounting and personnel management of the office on mine and the county's behalf. I will document periodic reviews of the Chief Administrative Officer's work, and complete a comparison of monies received to those deposited.

- 1.3 *I have reviewed the procedures for receipting and depositing monies, which have been in use for previous Sheriffs and my office. I have directed the receipts and deposits to reflect the method of payment (cash and check) and the receipts be numbered. At the time of the audit, the Sheriff's office purchased numbered receipt books and the Chief Administrative Officer is signing the receipt when monies are receipted from the drop safe. The Chief Administrative Officer currently reconciles the receipt slips to deposit slips, and is maintaining an itemized list of receipts included in deposits.*
- 1.4 *I have reviewed the procedures for the receipt of monies received for CCW permits by the Chief Deputy. The Sheriff's office has purchased new numbered receipt books, and I have directed the Chief Deputy to reflect the method of payment (cash and check) on the receipt slip, which is in effect at this time, and we are reconciling the composition of payments recorded on receipt slips to the composition recorded on deposit slips.*
- 1.5 *The Sheriff's office is in the process of obtaining a written agreement between the commissary vendor and the county for the County Commission to review and sign.*

The commissary vendor is a Missouri based company, providing inmate services. Neighboring county jails utilize the vendor's services and have done so for multiple years. The commissary vendor is a well-respected and trusted company in the jail commissary business. By the Sheriff's office not having a binding contract, I am better able to review the service provided by the commissary vendor and make any appropriate changes in the future without delay. Commissions from the items purchased by inmates is handled and transferred directly from commissary vendor to the Dallas County Treasurer's office. No fees are paid from county taxpayer funds to the commissary vendor for services provided.
- 1.6 *My signature stamp is not used without my prior approval. My staff and I do periodically review employee timesheets and accrued compensatory time is approved at a supervisor level during the current time period. Since 2005, the Sheriff's office has lost several positions due to retirements, loss of employees, hiring freezes and*



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lack of funding for increased costs such as fuel, insurance, inmate food and medical, utilities, but workloads have increased without compensation for the increased costs or additional staff.

In the absence of my approval of using the signature stamp, I have directed the Chief Deputy to review and make the appropriate authorization signatures. The signature stamp will not be used to authorize timesheets, even though I have no issue with the timesheets that have had my signature stamp used.

2. Sheriff Seized Property and Inmate Monies

2.1 Seized property

Improvement is needed in the Sheriff's controls and procedures over seized property and inmate monies.

As noted in our prior 2 audit reports, the Sheriff has not implemented procedures to periodically review cases and dispose of related seized cash. In addition, a physical inventory of all seized property has not been conducted since January 2011.

Seized property records indicated the Sheriff held approximately \$28,000 of seized cash at July 23, 2014. This amount includes \$7,292 that was reported on hand in our prior audit report and relates to cases disposed of by the court from 1998 to 2005. The total also includes \$10,000 of cash seized in February 2011, despite sentencing of the defendant in the related case in October 2011. The Sheriff has not requested the court to review these cases and order disposition of the funds.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the stored items. Complete and accurate inventory records should be maintained and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly. Section 542.301, RSMo, provides guidance for the disposition of unclaimed seized property. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft.

2.2 Inmate monies

Prenumbered receipt slips are not issued for monies received from (or for) inmates. Property intake forms are completed when an inmate is booked into the jail; however, these forms are not prenumbered and were not always signed by both the inmate and officer at the time of inmate arrest or release. In addition, inmate monies were not handled consistently during the year ended December 31, 2013. Sometimes employees deposited these monies into the inmate/commissary bank account, and other times they stored the monies in lockers at the jail. Properly receipting, recording, and depositing



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inmate monies is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected.

Recommendations

The Sheriff:

- 2.1 Obtain written authorization from the court to dispose of these seized monies, and dispose of monies in accordance with court orders. The Sheriff should also ensure a periodic physical inventory is conducted and reconciled to the records, and investigate any differences.
- 2.2 Issue prenumbered receipt slips for all monies received from or on behalf of the inmates, ensure receipt slips are signed by the inmate and officer at the time of arrest and release, and consistently handle inmate monies.

Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *Since the previous state audit, the Sheriff's office has requested disposal orders of hundreds of items seized. Since January 1, 2011, the Sheriff's Office has implemented the use of a report management system, which includes the inventory of seized property.*

As staffing becomes available, an inventory of evidence on hand will be conducted, and I am currently working with the Dallas County Prosecuting Attorney in an attempt to dispose of seized property in a more timely manner.

- 2.2 *During the current audit, procedures were implemented to document monies inventoried from inmate property. Numbered receipts are now utilized and placed in the inmate property, signed by the inmate and jailer/deputy, and the money is placed in the drop safe, which is accessed by the Chief Administrative Officer and the Jail Administrator. The receipts are signed by the Chief Administrative Officer, when monies are received from the safe. The money received from the inmate is also documented in the inmate's bank in the jail management system.*

3. County Procedures

Improvement is needed in the county's controls and procedures over fuel, vehicles, and personnel policies.

3.1 Fuel use

The county lacks adequate procedures to account for fuel use by the road and bridge department and Sheriff's office. Accounting records indicated fuel purchases totaled approximately \$190,000 for the road and bridge department and \$61,000 for the Sheriff's office during the year ended December 31, 2013.



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County employees prepare multiple records regarding fuel use (fuel and usage logs, Sheriff's office daily work logs, and data entered into the pumps at fill up for reporting on detailed billings), but they did not always properly complete these records or use them to reconcile to fuel billings. We identified instances where the same odometer reading was recorded multiple times or no odometer reading was entered. Also, receipts at the pump are not obtained, and fuel and usage logs maintained by the Sheriff's office are shredded. In addition, a portable fuel tank used by the road and bridge department is not metered.

Without sufficient and accurate information the county cannot evaluate propriety and reasonableness of fuel pumped/used or to reconcile to fuel billings. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

A similar condition was noted in our prior report.

3.2 Personnel use of vehicles

According to County Commission minutes and various county officials/employees, the Sheriff and 3 of his deputies use their county vehicles to transport family members to work, school, and daycare. We also observed the Sheriff transporting his wife to work. In May 2008 and again in September 2014, the County Commission notified all county employees in writing that only county personnel are allowed in county vehicles. In addition, the county's personnel policy states, "County resources will not be used for personal business, misused, or otherwise misappropriated." Personal use of county-owned vehicles results in a significant potential liability for the county. Individuals not employed by the county, such as spouses and children should not be passengers in county vehicles, unless they are involved in the conduct of county business.

3.3 Personnel policies

County officials have not always followed established employee leave policies. Twenty employees of the Sheriff's office carried forward a total of 1,828 in vacation hours from December 2013 to January 2014. The county personnel policy indicates employees must take all vacation days in each year and no vacation time will be carried from one year to the next unless in case of an emergency and when approved by the supervisor and Personnel Director. The county had no documentation approving the carryover of this leave.

Unclear policies and allowing employees to carry leave in excess of county policy may result in unnecessary costs to the county. To ensure employees are treated equitably and are properly compensated, strict compliance with personnel policies is necessary, or personnel policies should be updated to reflect the county's intended and actual practices.



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Recommendations

The County Commission:

- 3.1 Ensure fuel logs are reviewed for accuracy, reconciled to fuel purchases, and any significant discrepancies investigated. The County Commission should also meter the portable fuel tank and require a fuel use log be maintained, require odometer readings be entered, and fuel receipts to be obtained and submitted for its review.
- 3.2 Consider other means to stop the practice of allowing individuals not employed by the county to be passengers in county-owned vehicles.
- 3.3 Ensure compliance with leave policies or revise personnel policies as needed.

Auditee's Response

The County Commission provided the following written responses:

- 3.1 *These recommendations have been implemented. Receipts are being printed at the time of re-fueling and turned in to the County Clerk's office for reconciliation to the statement. A meter for the portable fuel tank has been ordered, and we plan to maintain records of fuel use to reconcile to fuel pumped into the portable tank.*
- 3.2 *The Sheriff has refused to comply with the County Commission's directive that personal use of vehicles is not allowed and has instructed his employees to disregard it as well. Other departments have complied in the past, and continue to comply with the policy.*
- 3.3 *A letter will be given to each employee advising them that any accrued vacation must be used by December 31, 2015, or it will be lost. The policy requiring approval by the supervisor and the Personnel Director will be changed to "written approval by the supervisor and the County Commission." The policy will also be revised to indicate any approved carryover of vacation from one year to the next must be used in the next calendar year or it will be lost.*

The Sheriff provided the following written responses:

- 3.1 *The Dallas County Sheriff's office has fuel cards issued from the fuel vendor to individual deputies. The deputies keep detailed logs in their vehicles, documenting the date, mileage and amount of fuel purchased. The deputies also account for other fuel purchases (lawn mowing, all-terrain vehicle usage, generators, etc.) on the fuel logs. At the recommendation of the State Auditor's office, the deputies will now obtain receipts at the time of purchase from the*



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fuel vendor along with keeping the detailed log. Periodic reviews of the fuel vendor's statements and the deputies' fuel logs have been performed prior to this audit and will continue in the future, with the addition of the Sheriff's or his designee's signature to document the review.

- 3.2 *The Dallas County Sheriff's office is a community based law enforcement agency and will continue to be. In the light of school shootings and other violence in schools, deputies will still be allowed to transport children to school when the deputy is on duty, the school is within Dallas County, and there is no extra mileage added to the vehicle. The insurance policy is still in effect performing such duties. It should be noted that the County Commission does not set policy regarding the use of the Sheriff's office vehicles.*
- 3.3 *Funding and staffing issues persist at the Sheriff's office and the employees have and will accrue compensatory time in order to staff the jail, courts, and provide law enforcement services. Deputies are encouraged to take their vacation and compensatory time, but staffing levels make it impractical to do so much of the time. I will still attempt to get my deputies the time off that they have earned and will work to preserve the time off that they have earned up to this time. I will work with the County Commission to implement a policy regarding the usage and carryover of unused leave.*

4. County Assessor Controls and Procedures

Significant weaknesses exist in accounting controls and record-keeping procedures in the County Assessor's office. The County Assessor's office collected approximately \$12,000 for maps, plat books, Geographical Information System (GIS) subscriptions, and miscellaneous fees during the year ended December 31, 2013.

County Assessor's office personnel issue unofficial generic receipt slips rather than official prenumbered receipt slips for plat book receipts. Receipt slips are not issued for other types of monies received. The method of payment (cash, check, or money order) is not always indicated on the receipt slips. As a result, the composition of receipt slips cannot be reconciled to the composition of monies transmitted to the County Treasurer and there is less assurance all monies collected are appropriately handled and transmitted. Our review of receipts and transmittals identified \$60 in cash received during February 2013 and January 2014 that was apparently not transmitted to the County Treasurer. In addition, the County Assessor's office does not prepare monthly reports of fees as required by law.

To properly account for all monies and ensure they are handled properly, official prenumbered receipt slips should be issued for all monies received,



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and the method of payment received should be recorded and reconciled to the composition of monies transmitted to the County Treasurer. In addition, Section 50.370, RSMo, requires county officials to file a report with the county commission and pay monies received for official services to the county treasurer monthly. It also provides that the officials are liable for monies collected but not accounted for and paid into the county treasury as required.

Recommendation

The County Assessor investigate the missing recorded cash receipts. The County Assessor should also ensure official prenumbered receipt slips are issued for all receipts, the numerical sequence of receipt slips is accounted for, the method of payment is indicated on all receipt slips, and the composition of receipt slips is reconciled to the composition of transmittals. The County Assessor should also file a monthly report of fees with the County Commission.

Auditee's Response

The County Assessor provided the following response:

I will investigate the missing recorded cash receipts. I am currently issuing unofficial prenumbered receipt slips for all receipts, accounting for the numerical sequence of the receipt slips, indicating the method of payment, and reconciling the composition of receipt slips to the composition of transmittals. Also, I am currently filing a monthly report of fees with the County Commission.

5. Prosecuting Attorney Controls and Procedures

5.1 Transmittals

Improvement is needed in the accounting controls and procedures of the Prosecuting Attorney's office. Bad check restitution and fees, criminal restitution, and delinquent taxes collected by the Prosecuting Attorney's office totaled approximately \$13,000 during the year ended December 31, 2013.

The Prosecuting Attorney's clerk does not timely transmit bad check and criminal restitution to victims and bad check fees to the County Treasurer. For example, 4 money orders totaling \$1,000 received on April 1 and 30, May 29, and June 30, 2014, had not been transmitted to the victim as of July 30, 2014. We identified numerous other examples of untimely transmittals during our review of case files. Additionally, \$655 of bad check fees collected from February 3 to February 18, 2014, were not transmitted to the County Treasurer until March 27, 2014.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to ensure bad check and court-ordered restitution is transmitted to the victims timely and bad check fees collected should be transmitted to the County Treasurer timely.

5.2 Charges filed

The Prosecuting Attorney has not established adequate procedures to ensure charges are filed timely with the court for unresolved bad check complaints.



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We reviewed 5 cases for which charges were filed and determined charges were not filed timely for any of the cases. Charges were not filed until 301 to 587 days after the initial bad check complaint was received. For example, the Prosecuting Attorney's office received a bad check complaint from a local vendor on August 30, 2012, and her office issued a 10-day letter on September 17, 2012; however, charges were not filed against the bad check writer until April 9, 2014.

Procedures should be established to ensure charges are timely filed with the court for unresolved bad check complaints.

5.3 Accounts receivables

Improvement is needed to better monitor and pursue collection of unpaid receivables. The Prosecuting Attorney's office does not generate a monthly list of unpaid bad checks and restitution, and is not proactive in identifying cases with unpaid receivables. In addition, the Prosecuting Attorney indicated she was given a box of unpaid bad check cases from the former Prosecuting Attorney in January 2011; however, these cases have not been entered into the computerized accounting system.

A complete and accurate list of unpaid bad checks and restitution would allow the Prosecuting Attorney's office to more easily review the amounts due to the office and to take appropriate steps to ensure amounts owed are collected or to determine if amounts are uncollectible.

Recommendations

The Prosecuting Attorney:

- 5.1 Ensure all monies are transmitted timely.
- 5.2 Establish procedures to file charges with the court timely.
- 5.3 Establish procedures to monitor and collect accounts receivables.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 5.1 *The 4 money orders referred to were transmitted to the victim which was the state of Missouri. Since the recent change in Missouri statutes which made it the responsibility of the Prosecuting Attorney to collect restitution (formerly collected by the Circuit Clerk), we have acquired a restitution component to our case management software to assist as we must now not only collect restitution, including interest when ordered by the court, but also provide amortization schedules. There were problems with the system which were corrected by the software provider in October 2014. The system now seems to be functioning properly. We have also implemented additional procedures for the handling of restitution (other than bad check payments) which include providing that we will send out restitution payments on the date they are received.*



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Bad check payments which are received from check writers are mailed to victims unless they choose to pick them up. We call the victim the same day a payment is received. We then mail the payment if the victim so directs. If they choose to pick up the payment, we hold the payment for thirty days. If they do not pick up the payment within that time, we call again or mail.

To reduce the risk of loss, theft, or misuse of funds we do not accept cash. All payments must be made by money order or cashier's check payable to the victim and fees owed to the county must be made payable to Dallas County. Numbered receipts are given for all payments received. The fees, along with a monthly restitution collection report, are transmitted to the Dallas County Treasurer once a month.

- 5.2 *The charges referred to were filed within the statute of limitations under Missouri law. We have one attorney handling our entire caseload, including filing bad check charges. In 2010, there were three attorneys performing those duties. Since that time our workload has not decreased but has increased and additional duties added. We also recognize that we cannot always rely only on the bad check complaint on its own. We have had numerous bad check complaints turned in which we discovered were not accurate or complete so more investigation and work has been necessary, including investigative subpoenas and confirming that the identifiers, such as date of birth and driver's license numbers match the alleged check writer. We have received bad check complaints on particular persons, only to discover the actual check writer was a different person, such as a family member, a roommate or someone who had stolen the checks. With the increase in identity theft, we must be particularly careful so as not to file charges on an innocent person. This work requires proper review and consideration of each case which is obviously time-consuming when multiplied by our caseload. However, while this additional review is time consuming, I would rather take the time required to be certain that the right person is being properly charged, that people who did not commit a crime are not charged and that our victims receive their restitution.*
- 5.3 *The box of unpaid bad check cases referred to were cases which have been filed with the court and a warrant has been outstanding for the defendant's arrest for more than 4 years. Until such time as the defendant is located and arrested by law enforcement, I have no way to further contact the defendant or collect on these bad checks. We do not generate a monthly list of unpaid bad checks as we keep a detailed log for review at any time which documents 10-day*



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letters sent, charges filed, date payment received, and the date payment is picked up by or mailed to the victim.

As we are now collecting restitution generally and have software to keep track of not only the amount of restitution ordered, but the interest accrued as well, we now have the capability of printing a report which lists outstanding balances for restitution, including interest. We have run that report, but found that not all balances due are listed. We are actively trying to resolve the issues and will be using that report monthly. We still have the paper files and logs which list each bad check and restitution ordered as we always have and can look to those files for the amounts owed by each defendant. By now putting all of this data in the computer, we now have duplicate records of the restitution amounts owed and paid.

6. Public Administrator Annual Settlements

Reviews of annual settlements are not sufficient. During the year ended December 31, 2013, the Public Administrator served as the court appointed guardian, conservator, or personal representative for 40 individuals (wards/estates).

The Public Administrator does not adequately review the annual settlements prepared by attorneys, and some annual settlements filed with the Associate Circuit Court, Probate Division by the Public Administrator were not complete or accurate. The Associate Circuit Court, Probate Division also does not perform sufficient reviews of the annual settlements, and as a result, the same errors and omissions also were undetected by the court.

For example, annual settlements for 1 ward did not include all estate assets, such as a vehicle, a \$7,500 burial plan, and other personal property purchased totaling \$1,216. In addition, the attorneys preparing the annual settlements only included checks that had cleared the bank, and did not identify voided checks. The Public Administrator was not aware of these issues until we discussed them with her.

Failure to adequately review settlements increases the risk that errors or loss, theft, or misuse of funds could go undetected. To ensure the financial activity of the estates is accurately reported to the court, all assets, receipts, and disbursements should be accurately reflected on the annual settlement.

Recommendation

The Public Administrator ensure annual settlements are accurately prepared. The Associate Circuit Judge should establish procedures to adequately review annual settlements filed with the court.



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Auditee's Response

The Public Administrator provided the following written response:

I will review line by line the annual settlement prepared by attorneys as required by the court prior to signing and turning them into the court. This will begin immediately.

The Associate Circuit Judge provided the following written response:

The Associate Circuit Court reviews and approves numerous settlements annually. The audit report states that the Associate Circuit Court "does not perform sufficient reviews of the annual settlements" however, of all the files scrutinized by the auditors, the majority of the concerns noted related to a single file. In that case, the audit references a vehicle that was included on the initial inventory at a value of \$0.00. This was apparently because there was a loan against the vehicle which exceeded its value. The annual settlements which followed included an aggregate value of all personal property equal to that listed on the original inventory. The court monitors the aggregate value of all personal property for increases and decreases in value, which in most instances, is due to the sale or exchange of an asset, and in that event, there will be a corresponding transaction in the settlement to explain the change in value of the personal property, whether up or down. The court believes that this system of checks and balances adequately protects the ward from financial misuse. However, to address the auditor's concerns, the Public Administrator will amend the inventory to provide clarification and better accounting by the Public Administrator of this asset. With regard to that same case, the audit took issue with the failure of the Public Administrator to report on the annual settlement, an irrevocable burial plan that was purchased by the ward prior to establishment of the conservatorship. This burial plan was reported in the Guardian's annual report in 2011 and 2012 and is well documented in the court file. In the past, the court did not require an irrevocable burial plan to be reported as an asset of the estate unless necessary to explain disbursements from the estate to purchase the burial plan. The burial plan was not required to be inventoried, as it could not be sold or exchanged and had no cash value which could be used for support of the ward. To address the auditor's concern, the court will require that burial plans be inventoried and reported on all settlements. Finally, with regard to this estate, the court concedes that the purchases of personal property items, totaling \$1,216, should have been reported as an asset in the settlement following purchase. The Public Administrator will amend the annual settlement in this case to show acquisition of the personal property purchased for the ward's use.

To address the auditor's final concern, the court will require that all voided checks are identified on settlements so that they may be accounted for in sequential order, even though they never pass through the account.

Dallas County

Organization and Statistical Information

Dallas County is a county-organized, third-class county. 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 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 52 full-time employees and 7 part-time employees on December 31, 2013.

In addition, county operations include the 911 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
Kevin D. Sharpe, Presiding Commissioner	\$ 28,400	28,400
Rex (Pete) Barclay, Associate Commissioner	26,400	26,400
Owen Kjar, Associate Commissioner	26,400	
Stacy Satterfield, Recorder of Deeds	40,000	
Pam Louderbaugh, County Clerk	40,000	
Barbara J. Viets, Prosecuting Attorney	116,858	
Mike Rackley, Sheriff	44,000	
Becky Schofield, County Treasurer	40,000	
Lamont Swanson, County Coroner	12,000	
Carol Johnson, Public Administrator	40,000	
Sheryl Ferrell, County Collector, year ended February 28,	40,000	
Sue Doty, County Assessor, year ended August 31,	40,000	
Greg Maynard, County Surveyor (1)		

(1) Compensation on a fee basis.

Financing Arrangements

In March 2013, the county entered into a lease-purchase agreement for 4 motor graders. Principal and interest payments are made from the Capital Improvements Fund. The final payment on the lease-purchase agreement is scheduled for June 2018. The remaining principal outstanding at December 31, 2013, was \$955,135. Interest remaining to be paid over the life of the agreement totals \$124,407.



Dallas County Organization and Statistical Information

In December 2012, the county entered into an agreement to purchase land at a cost of \$125,000. Principal and interest payments are made from the Capital Improvements Fund. The final payment on the purchase agreement is scheduled on or before January 1, 2015. The remaining principal outstanding at December 31, 2013, was \$50,000. The agreement has no stated interest rate.

In October 2011, the county entered into a lease-purchase agreement for 4 dump trucks and refinanced the lease-purchase agreement in October 2014. Principal and interest payments are made from the Capital Improvements Fund. The final payment on the lease-purchase agreement is scheduled for October 2015. The remaining principal outstanding at December 31, 2013, was \$171,019. Interest remaining to be paid over the life of the agreement totals \$3,729.