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FOLLOW-UP REPORT ON AUDIT FINDINGS

Texas County



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Missouri State Auditor

To the County Commission
and
Officeholders of Texas County

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-094, *Texas County* (rated as poor), issued in October 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the county, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we obtained and reviewed documentation from the elected officials and met with the officials and their staff to verify the status of implementation for the recommendations. This report is a summary of the results of this follow-up work, which was substantially completed during March 2015.

Nicole R. Galloway, CPA
State Auditor

Texas County

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Status of Findings

1. Tax Maintenance Fund We identified significant problems with the management and use of Tax Maintenance Fund monies.

1.1 Bank account In February 2012, due to disagreements between the County Commission and the County Collector-Treasurer regarding the appropriate use of funds, the County Collector-Treasurer opened a separate Tax Maintenance bank account and during the year ended December 31, 2012, she deposited \$8,186 of \$15,144 in fees collected into this account instead of the county's Tax Maintenance Fund. The County Collector-Treasurer also disbursed \$8,057 from this account instead of disbursing the monies from the county's Tax Maintenance Fund. As a result, the activity in the account was not recorded in the county's accounting system, the county's 2012 financial statements did not present this activity, and in at least 3 instances, required vendor 1099-MISC forms were not issued.

Recommendation The County Collector-Treasurer should close the separate bank account and record all Tax Maintenance Fund activity in the county's accounting system.

Status **Implemented**

The County Collector-Treasurer closed the bank account on August 12, 2014, and all monies held in that account were deposited into the county's Tax Maintenance Fund. All activity since this date has been recorded in the county's accounting system.

1.2 Disbursements The County Collector-Treasurer made more than \$10,000 in disbursements from both the county's Tax Maintenance Fund and the separate bank account that were not in compliance with uses allowed by state law and/or did not appear reasonable. Many purchases appeared to be for personal use and not essential to the administration or operation of the County Collector-Treasurer's office. In addition, some purchases were not adequately supported, and some property items purchased were not tagged as county property. Also, personal use of some items was identified.

Recommendation The County Collector-Treasurer ensure disbursements from the Tax Maintenance Fund are adequately documented and in compliance with statutory provisions. In addition, the County Collector-Treasurer should ensure equipment purchased is tagged as county property, and recorded in the county property records.

Status **Implemented**

We reviewed all disbursements from November 2014 to January 2015 for the Tax Maintenance Fund and noted all purchases were adequately documented and in compliance with statutory provisions. The County Collector-Treasurer has tagged the items identified in our audit report and added them to her capital asset listing. The County Collector-Treasurer



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indicated all future capital assets purchases will be tagged and added to her capital asset listing in accordance with county policy.

2. County Collector-Treasurer Controls and Procedures

We noted significant control weaknesses in the processing of transactions.

2.1 Waivers and adjustments

The County Collector-Treasurer and her deputies improperly waived and adjusted penalties and interest on delinquent taxes for some taxpayers. Our review of delinquent tax transactions processed between January 3 and December 12, 2012, identified 2,444 transactions where penalties and/or interest totaling \$7,830 were likely waived or adjusted by the County Collector-Treasurer or her staff for other than allowable reasons. We reviewed 61 of these transactions and identified approximately \$320 in penalties and approximately \$1,100 in interest not collected when required.

The County Collector-Treasurer did not maintain separate records of these waivers and adjustments or review waivers and adjustments made by her staff. The County Collector-Treasurer was unable to provide any justification for some waivers and adjustments and some reasons provided were not sufficient to warrant adjustment of penalties and interest due.

Recommendation

The County Collector-Treasurer collect penalties and interest on delinquent taxes as required by law. In addition, the County Collector-Treasurer should ensure any waivers or adjustments are supported by adequate documentation and reviewed and approved by the County Commission.

Status

Implemented

We reviewed property tax transactions processed between January 20 and January 30, 2015. We identified 16 transactions involving allowable waivers or adjustments for which adequate documentation was retained. The identified waivers and adjustments were allowed by statute and therefore did not require additional review or approval by the County Commission. The County Collector-Treasurer stated she does not plan to process any waivers or adjustments not specifically allowed by statute; however, if the need does arise, she would require approval from the County Commission prior to processing. A County Commissioner indicated several citizens, requesting waivers and adjustments that were not allowable, were directed by the County Collector-Treasurer to the County Commission to seek approval of the citizen's request and the County Commission denied all such requests.

2.2 Partial payments

The County Collector-Treasurer had not established adequate procedures and records related to the collection of partial payments. Manual receipt



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slips were not always issued for partial payments received, did not always document method of payment, were not always issued in numerical sequence, and voided manual receipts slips were not always retained. In addition, some partial payments were not recorded on partial payment ledgers, some partial payment ledgers were destroyed, some partial payments received were not deposited timely, and balances due were not always updated for current interest charges.

Recommendation

The County Collector-Treasurer ensure partial payments are receipted immediately upon receipt, record partial payments on payment ledgers and ensure ledgers are maintained to support payment activity, and ensure balances are updated to reflect interest accrual.

Status

Implemented

The County Collector-Treasurer now receipts and records all partial payments received into the property tax system at the time of receipt. This process allows the County Collector-Treasurer to track payment activity and allows balances to accrue interest as required. We reviewed reports related to 3 taxpayers making partial payments in January 2015 with no problems noted.

**2.3 Bank reconciliations
and liabilities**

The County Collector-Treasurer did not ensure her staff prepared complete and accurate bank reconciliations or a list of liabilities, and did not document her review of bank reconciliations prepared. Bank reconciliations did not indicate all deposits in transit and a periodic list of liabilities was not prepared and agreed to the reconciled cash balance. At April 30, 2013, the reconciled cash balance exceeded the list of liabilities by \$19,533. The County Collector-Treasurer believes approximately \$7,000 of this amount was additional partial payments held; however, she was unable to provide documentation to support this amount.

Recommendation

The County Collector-Treasurer prepare complete bank reconciliations including lists of liabilities and reconcile the list of liabilities to the reconciled bank balance monthly. Any differences should be investigated and promptly resolved and supervisory review of the bank reconciliations should be documented.

Status

In Progress

We reviewed the bank reconciliation for December 2014. We identified several errors in the reconciliation. After correcting for those errors, the reconciled bank balance exceeded the list of liabilities by \$59,425, an increase of nearly \$40,000 over the unreconciled difference of \$19,533 at April 2013. Due to reconciliation problems with the old bank account, the County Collector-Treasurer opened a new bank account effective March 1, 2015, and will use that account for property tax collections activity going



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forward. In addition, she will perform timely and complete bank reconciliations and list of liabilities. She will also attempt to identify and correct past errors and distribute the funds remaining in the old account to the proper parties as time permits.

2.4 Refunds

The County Collector-Treasurer had not established procedures to ensure overpayments received were documented or refunded properly. When an individual overpaid his/her taxes by check, the amount due was recorded, instead of the check amount, in the property tax system. Then, when preparing the deposit slip, only the amount due was recorded on the deposit slip instead of the check amount and a "note" was prepared requesting the bank issue a cashier's check(s) payable to the taxpayer for the overpayment amount. The bank issued the cashier's checks at no cost to the County Collector-Treasurer and the County Collector-Treasurer mailed the refund to the individual.

The County Collector-Treasurer did not maintain records of all refunds issued by cashier's check and failed to properly receipt or document actual amounts received in accounting records. To fully understand refund transactions required obtaining bank data since the County Collector-Treasurer's records did not provide sufficient detail.

Recommendation

The County Collector-Treasurer receipt, record, and deposit overpayments received, pay refunds by check, and maintain a complete record of all refunds issued.

Status

In Progress

The County Collector-Treasurer has developed procedures to receipt, record and deposit overpayments received, pay refunds by check, and maintain a complete record of all refunds issued. However, during our review of waivers and adjustments completed between January 20 and January 30, 2015, we noted five payments were not receipted, recorded, or deposited because a check was written for more than the tax liability. All of these payments were held in a new employee's cash drawer. Once identified, these payments were immediately processed and refunds were issued in accordance with established procedures. According to the County Collector-Treasurer, the employee has since been terminated and she will ensure all future overpayments received are processed correctly.

2.5 Insufficient fund checks

The County Collector-Treasurer did not have procedures in place to reverse payments previously recorded in the property tax system for insufficient fund (NSF) checks. When tax receipts were collected by the County Collector-Treasurer's office, the payments were posted to the tax accounting system. However, when subsequent notices of NSF checks were received, adjustments were not made to the property tax system.



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Restitution for NSF checks may not have been received until several months after the tax receipt was initially collected and in some instances, restitution may not have been received. However, the County Collector-Treasurer disbursed all monies recorded in the property tax system as receipts to the various political subdivisions on a monthly basis. As a result, the County Collector-Treasurer disbursed approximately \$4,400 during the year ended February 28, 2013, even though these amounts were not actually received.

Recommendation

The County Collector-Treasurer establish procedures to reverse NSF check payments from the property tax system timely.

Status

Implemented

The County Collector-Treasurer has established procedures to reverse NSF check payments from the property tax system prior to referring checks to the Prosecuting Attorney for collection. We verified the reversal of one NSF check payment from December 2014 and the subsequent collection by the Prosecuting Attorney.

2.6 Penalty date

The County Clerk's office incorrectly entered the effective date to begin charging penalties on delinquent taxes in the property tax system for 2011 real estate and personal property taxes. As a result, taxpayers delinquent in paying taxes were not charged the statutory 7 percent penalty required by law until March 1, 2012, and we estimated the county did not collect approximately \$25,200 in penalties. In addition, the failure to assess and collect the 7 percent penalty resulted in less monies being disbursed to the General Revenue Fund, Tax Maintenance Fund, and County Employee's Retirement Fund as outlined by state law.

Recommendation

The County Collector-Treasurer work with the County Clerk to review the penalty dates entered into the property tax system to ensure penalties are properly assessed and collected

Status

Implemented

We reviewed penalty dates entered into the property tax system for 2014 taxes and found no errors. We also confirmed both the County Clerk and the County Collector-Treasurer had established procedures to ensure these dates are correct before charging the County Collector-Treasurer with the tax books each year.

**3. Public Administrator
Controls and Procedures**

Procedures in the Public Administrator's office needed improvement.

Unless otherwise specified, references to Public Administrator relate to the former Public Administrator whose term ended December 31, 2012. The current Public Administrator took office in January 2013.



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3.1 Annual settlements

As noted in our previous two audit reports, the Public Administrator did not file annual settlements timely in compliance with state law. In addition, the Associate Circuit Court, Probate Division did not have procedures to notify the Public Administrator prior to the deadline for the annual settlement or to follow up on annual settlements not filed by the required date.

Annual settlements had not been filed in at least 3 years for 29 of 32 cases we reviewed. In addition, no annual settlement had been filed for 3 of the 32 cases as of October 1, 2013.

With a newly elected official taking office in January 2013, the former Public Administrator was required by law to submit final settlements for active wards in order to turn over assets to the newly elected official. Of the 32 cases we reviewed, 3 final settlements were not filed until July 2013 and 3 had not been filed as of October 1, 2013.

Also, the settlements filed did not always include all needed information and the court did not have a system in place to monitor and ensure timely filing of settlements, and did not always timely follow up with the Public Administrator regarding settlement omissions or other problems.

Recommendation

The Public Administrator ensure annual settlements are filed timely and contain all required information. In addition, the Associate Circuit Court, Probate Division should notify the Public Administrator of annual settlement deadlines timely, follow up on settlements not filed by the required date, and ensure settlements are processed timely.

Status

In Progress

The current Public Administrator has developed a spreadsheet allowing her to track when annual settlements are due. We reviewed this spreadsheet for 2014 and found only 13 of the 44 annual settlements required had been filed. The current Public Administrator stated that while she had fallen behind, she had already begun completing these necessary documents and planned to have them filed with the court by May 2015. We reviewed one of the 13 annual settlements the current Public Administrator had filed and it contained all required information.

The Associate Circuit Judge indicated he has directed the Probate Clerk to be diligent and to comply with the statutory requirements and also indicated the Probate Clerk has recently been in contact with the Public Administrator regarding the filing of her annual settlements. For the annual settlement we reviewed, the Associate Circuit Court, Probate Division processed it timely.



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3.2 Case disposition

The Public Administrator did not timely file final settlements following the death of a ward for at least 17 cases. Fourteen of these wards died from 3 to 10 years prior to the final settlement filing date, and one ward died in the same year as the final settlement filing date. As of October 1, 2013, final settlements for 2 cases for wards who died in 2006 and 2009 were still not filed, and assets, including bank account balances, had not been distributed to the wards' heirs. Further, the Public Administrator held bank accounts open for these deceased wards and several banks charged monthly service fees to the accounts, slowly depleting the amount available for payment of fees or disbursement to heirs.

Recommendation

The Public Administrator file final settlements for deceased wards and petition the court for orders of distribution timely.

Status

In Progress

The current Public Administrator stated she has not had any need to file final settlements at this point in her term; however, upon the need to file such documents, she will complete them and petition the court for orders of distribution timely.

3.3 Estate fees

As noted in our prior audit report, the Public Administrator did not assess and collect fees from the accounts of some wards and estates. Due to the untimely filing of settlements, the Public Administrator did not always petition the court to approve fees from the accounts of some wards and estates, and did not always document the criteria used to determine the fees charged.

As of October 31, 2013, \$27,344 had not been disbursed from the accounts of wards and estates and remained due to the county. The current Public Administrator indicated many cases held at that time did not have sufficient assets or resources to pay the fees of the former Public Administrator.

In addition, the Public Administrator was not always consistent in the method used to calculate the fees and issued checks for payment of fees prior to the Judge's approval of the request to pay fees incurred.

Recommendation

The Public Administrator work with the Associate Circuit Judge to establish a fee schedule, request fees when filing annual and final settlements and remit approved fees to the county treasury timely. In addition, the Public Administrator should consult with the Associate Circuit Judge regarding the unpaid fees of the former Public Administrator.

Status

Implemented



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The current Public Administrator has established a fee schedule that has been approved by the Associate Circuit Judge. In addition, the current Public Administrator has requested fees in accordance with this fee schedule for annual settlements filed and remitted approved fees to the county treasury timely. The current Public Administrator filed a motion with the court to waive the unpaid fees of the former Public Administrator; however, the court declined to take action. The Public Administrator does not plan to withhold these fees.

3.4 Disbursements and
checks

The Public Administrator did not make payments timely and did not maintain adequate supporting documentation for some disbursements.

Recommendation

The Public Administrator ensure disbursements are paid timely and supported by adequate documentation.

Status

Implemented

We reviewed disbursements paid for a ward and found all disbursements were paid timely and supported by adequate documentation.

3.5 Bank reconciliations

The Public Administrator did not prepare monthly bank reconciliations for any bank accounts.

Recommendation

The Public Administrator prepare and document monthly bank reconciliations for all wards bank accounts.

Status

Implemented

We reviewed bank reconciliation procedures for a ward and found monthly bank reconciliations are completed and documented by the current Public Administrator's assistant. The current Pubic Administrator reviews the reconciliation when completed and documents her review by initialing it.

4. Prosecuting Attorney
Controls and Procedures

Accounting duties were not adequately segregated and supervisory reviews were not performed. Procedures to prepare a list of liabilities and reconcile it to the cash balance had not been established, and monitoring procedures for court-ordered restitution were not adequate. Also, procedures had not been established to follow up on outstanding checks.

The former Prosecuting Attorney's term ended December 31, 2014. The current Prosecuting Attorney took office in January 2015. Recommendations were directed to the former Prosecuting Attorney; however, we have reviewed the current Prosecuting Attorney's procedures to evaluate the status of each finding.



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4.1 Segregation of duties

The Prosecuting Attorney had not adequately segregated accounting duties or performed a supervisory review of accounting records. The Bad Check Clerk was responsible for receipting, recording, depositing, disbursing and reconciling all bad check and court-ordered restitution monies received. The Office Manager did not document a review of any accounting records other than the bank reconciliation. In addition, the Office Manager was primarily responsible for receipting, recording, and transmitting monies received for delinquent tax collections to the Missouri Department of Revenue.

Recommendation

The Prosecuting Attorney adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

Status

Partially Implemented

A new Prosecuting Attorney was elected in November 2014 and took office in January 2015. Discussions with the current Prosecuting Attorney and the current Bad Check Clerk indicate no changes have been made to further segregate accounting duties and no independent or supervisory review of accounting records is being performed. The current Prosecuting Attorney indicated while accounting duties could not practically be further segregated, he will ensure an adequate supervisory review is completed each month of all pertinent accounting records beginning with March 2015 accounting records that will be reviewed in April 2015.

4.2 Liabilities

The Bad Check Clerk did not prepare a monthly list of liabilities and reconcile the list to the cash balance.

Recommendation

The Prosecuting Attorney prepare a list of liabilities and reconcile the list to the available cash balance monthly for the bad check bank account. Any differences should be investigated and resolved.

Status

In Progress

The current Prosecuting Attorney indicated no bank reconciliations or lists of liabilities since April 2014 could be located. We worked with the current Bad Check Clerk to attempt to reconcile the December 2014 bank and book records; however, we noted numerous mathematical errors and duplications made by prior administration personnel in the handwritten ledgers requiring adjustments to the identified book balances. The current Bad Check Clerk was unable to fully reconcile bank and book balances, and was unable to fully reconcile the list of liabilities to the cash balance. At December 31, 2014, the reconciled bank balance of \$6,771 exceeded the book balance of \$6,568. The reconciled bank balance exceeded the list of known liabilities by \$6,140. The current Prosecuting Attorney plans to open a new bank account immediately and begin depositing all monies into the new account



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in an effort to start over and ensure all monies collected during his term are accounted for properly. Meanwhile, the current Prosecuting Attorney and the current Bad Check Clerk will work to resolve the balance held in the old bank account.

4.3 Tracking procedures

The Prosecuting Attorney did not adequately monitor the collection of court-ordered restitution and did not account for and monitor the disposition of all bad checks submitted to the office. In addition, information recorded in the computerized accounting system was not always accurate and reliable.

Office personnel did not utilize the computerized court-ordered restitution accounting system. Defendant's manual case files did not clearly document the amount of restitution ordered or the balance due. In addition, the clerks entered "test" information into the computerized accounting system that was not deleted.

Office personnel did not fully utilize either of the two computerized bad check accounting systems. One system was not utilized at all and one system was only used to generate letters notifying bad check writers they had 10 days to pay before filing of charges. Manual logs maintained to track bad check complaint forms submitted by merchants when bad checks were turned over to the Prosecuting Attorney for collection did not allow for compilation of amounts collected by date and therefore, amounts due could not be readily determined. Further, we noted some information recorded in one of the bad check accounting systems was related to a court-ordered restitution case, and therefore, was recorded in the incorrect system.

Recommendation

The Prosecuting Attorney develop procedures and records to adequately record and track court-ordered restitution and the receipt and disposition of all bad check complaints.

Status

In Progress

The current Prosecuting Attorney has purchased the necessary accounting system components to allow his staff to adequately track all bad check and court-ordered restitution cases. All new cases are entered into this system when the office receives them and a prior case is entered when the office receives a payment or initiates some current action through the court system on it.

4.4 Outstanding checks

The Bad Check Clerk had not established procedures to routinely follow up on outstanding checks. As of December 31, 2012, 46 checks totaling \$1,226 had been outstanding for over a year with 4 checks dating back to 2003.



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Recommendation

The Prosecuting Attorney establish 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.

Status

In Progress

The current Prosecuting Attorney has sent certified letters to all payees on the outstanding check listing. Once a reasonable amount of time has passed for payees to respond, the current Prosecuting Attorney has instructed the current Bad Check Clerk to void old outstanding checks and disburse these amounts in accordance with state law.

5. Sheriff Controls and Procedures

Controls and procedures in the Sheriff's office needed improvement.

5.1 Segregation of duties

As similarly noted in our prior 3 audit reports, the Sheriff had not adequately segregated accounting duties and had not established adequate supervisory reviews. The Jail Administrator was responsible for receiving, recording, depositing, and disbursing inmate monies collected in the jail, and no supervisory review of the records was completed. The Sheriff's secretary was responsible for receiving, recording, depositing, disbursing or transmitting all monies collected in the Sheriff's office (civil fees), or transmitted from the jail, including CCW fees and bonds. The Lieutenant did not document his review of monthly bank reconciliations completed by the Sheriff's secretary, and no periodic review or comparison of receipt and deposit records was completed.

Recommendation

The Sheriff adequately segregate accounting duties or ensure an independent or supervisory review of accounting records is performed and documented.

Status

In Progress

The Sheriff indicated a documented supervisory review of the month end financial packet prepared by his office clerk will be performed either by him or by his Lieutenant starting with the March 2015 packet. We reviewed the January 2015 month end financial packet that includes a summary report of deposits and disbursements; a detailed listing of receipts and breakdown of amounts due to various fees and funds; the bank statement and reconciliation; and a copy of the monthly fee disbursement check to the County Treasurer. The Sheriff indicated the Jail Administrator will also be required to provide a complete month end financial packet including the original bank reconciliation, a monthly report of receipts and disbursements, and a list of liabilities. Starting with the March 2015 packet, the Sheriff or



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his Lieutenant will perform a documented review of the Jail Administrator's month end financial packet.

5.2 Bank reconciliations

The Jail Administrator had not performed a bank reconciliation for the commissary account since October 2010. At our request, the Jail Administrator performed bank reconciliations for the months of November 2010 through October 2013. The October 2013 reconciliation identified 397 checks, totaling \$1,138, outstanding for more than a year. Twenty-three of these checks dated back to 2009. The Jail Administrator printed a report of detainee balances as of October 31, 2013, showing \$898 held as liabilities; however, the reconciled cash balance at the same date was only \$779, resulting in a \$119 shortage.

Recommendation

The Sheriff prepare monthly bank reconciliations and list of liabilities and reconcile the list to the book balance monthly for the commissary bank account. Any differences should be investigated and resolved. 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.

Status

In Progress

As noted in the section 5.1 status, the Sheriff indicated the Jail Administrator will be required to provide a complete month end financial packet. Starting with the March 2015 packet, the Sheriff or his Lieutenant will perform a documented review of the Jail Administrator's month end packet.

With regard to the outstanding checks, the Sheriff indicated he was going through each page of checks as time allowed to find a current address utilizing case records. The Sheriff will then turn these monies over in accordance with state law. It is not known when this work will be completed.

5.3 Seized property

The Sheriff had not established adequate controls over seized property. Upon taking office on January 1, 2013, the Sheriff completed an inventory listing of all seized property that included over 440 containers and items. The Sheriff did not establish procedures for updating the listing as items were added or removed from the seized property storage area. Also, several items in the seized property storage area had been held since 2003, and the Sheriff should have determined if disposal was appropriate and obtained the necessary approvals from the Prosecuting Attorney and/or the court.

Recommendation

The Sheriff maintain complete and accurate seized property inventory records and make timely and appropriate dispositions of seized property.



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Implemented

The Sheriff is maintaining a current listing of seized property and has been able to dispose of some older seized property. The Sheriff indicated he will continue to work with Prosecuting Attorney and Associate Circuit Judge to obtain approval to dispose of seized property no longer needed by the prosecutor and the court.

6. Minutes and County Procedures

Improvement was needed with regard to County Commission minutes and county procedures.

6.1 Commission minutes

The County Commission and County Clerk procedures related to the documentation and approval of County Commission meeting minutes were not adequate and did not always comply with the Sunshine Law.

- The County Commission did not approve 8 of 49 open meeting minutes during the year ended December 31, 2012. The County Commission and the County Clerk did not always agree on the accuracy of the minutes and did not resolve their differences.
- Neither the County Commission nor the County Clerk ensured procedures related to closed meetings were documented in compliance with the Sunshine Law. Topics discussed in closed meetings were not always cited in open meetings and roll call votes to enter the closed meeting were not always documented in open meeting minutes.

Recommendation

The County Commission work with the County Clerk to ensure minutes are accurate and approved by the appropriate parties and properly cite reasons for and roll call votes approving closed meetings.

Status

Implemented

We reviewed County Commission minutes for meetings held between October 1, 2014, and January 31, 2015. No closed meetings occurred. However, if a closed meeting is necessary in the future, both the County Commission and the County Clerk indicated they will ensure reasons for entering into a closed meeting and roll call votes are properly documented in the open minutes. Meeting minutes appeared accurate and were signed by the appropriate parties.

6.2 Professional services

The county did not solicit requests for proposals or enter into written agreements for several professional service purchases including property and liability insurance through an insurance brokerage service (\$69,392), information technology services (\$26,229), and jail medical services (\$14,853) during the year ended December 31, 2012.



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Recommendation The County Commission periodically solicit proposals for professional services, and enter into written agreements as required by law.

Status **Implemented**

The County Commission now requires solicitation of proposals upon termination of current agreements and completion of written agreements for professional services. During our review of meeting minutes and bid notices, we noted the County Commission solicited proposals for medical services provided in the jail. At the time of our review, only one proposal was received and no decision had been made to award the contract. In addition, we noted the County Commission was discussing specifications necessary to solicit proposals for an information technology services purchase.

6.3 Computer controls The County Clerk, Prosecuting Attorney, County Assessor, and Sheriff did not require employees to change passwords periodically, and employees in the County Clerk and County Assessor offices shared passwords within their office. In addition, the Recorder of Deeds failed to promptly delete user access for an employee who resigned in August 2013.

Recommendation The County Commission require unique passwords for each employee that are confidential and periodically changed and promptly delete user access following termination of employment to prevent unauthorized access to computer systems and data.

Status **Implemented**

The County Commission has required unique passwords for each employee that are confidential and periodically changed and prompt deletion of user access following termination of employment. However, each elected official must enforce these requirements. We discussed enforcement with each official noted in the finding and found all officials now require the use of unique passwords that are to be changed periodically and each has plans to immediately terminate user access following resignation or termination of employees. The Recorder of Deeds deleted access for the employee who resigned.

6.4 1099-MISC forms The county had not established procedures to ensure 1099-MISC forms were prepared and filed as required. During the year ended December 31, 2012, the county paid a special prosecuting attorney \$11,897, a security system salesman/installer \$4,000, a handyman \$1,356, and a law firm \$709 without issuing 1099-MISC forms to any of these identified vendors.

Recommendation The County Commission ensure non-wage payments and payments to attorneys are reported on 1099-MISC forms.



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Status

Implemented

The County Clerk provided copies of all 1099-MISC forms prepared for 2014 and we matched the name and amount paid on the 1099-MISC form to the information in the minutes. We identified no discrepancies.