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Missouri State Auditor

Dent County

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CITIZENS SUMMARY

Findings in the audit of Dent County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The administrative clerks do not prepare adequate bank reconciliations for the bond, fee, and commissary bank accounts. The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff's office does not always make deposits timely or intact. The Sheriff does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners and civil paper service fees are adequately identified and pursued.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not always timely disburse bad check payments to victims or fees received to the County Treasurer. The Prosecuting Attorney does not ensure a monthly list of liabilities for the office's main bank account is prepared and agreed to the reconciled bank balance.
Public Administrator's Annual Status Reports	The Public Administrator does not always file annual status reports timely or accurately.
Electronic Data Security	The County Assessor, County Collector, County Clerk, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the office of the Recorder of Deeds after a specified number of incorrect logon attempts. The Public Administrator does not back up computer data leaving this office at risk if data is lost or destroyed.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*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.

Dent County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Dent County

We have audited certain operations of Dent County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants and Business Advisors, LLC, was engaged to audit the financial statements of Dent County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

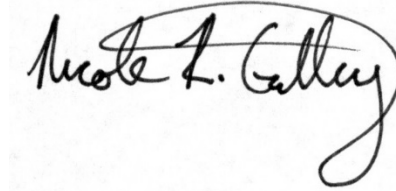
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

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 applicable contract, grant agreement, 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 Dent County.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Albert Borde-Koufie, MBA
	Devin Jackson
	Jacob Thompson

Dent County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service, board bills, concealed carry weapon permits, and other miscellaneous receipts totaling approximately \$74,000 through the fee account, bond receipts totaling approximately \$71,000 through the bond account, inmate monies totaling approximately \$78,000 through the commissary account, and fees from driving while intoxicated (DWI) charges totaling \$879 through the DWI account, during the year ended December 31, 2018.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The Head Administrative Clerk is responsible for receiving payments received in the mail, writing checks, making deposits, and reconciling the fee and DWI bank accounts. Another clerk is responsible for the same duties for the bond and commissary accounts. The Sheriff does not review accounting records to ensure monies received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing payments; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Bank reconciliations and liabilities

The administrative clerks do not prepare adequate bank reconciliations for the bond, fee, and commissary bank accounts. In addition, monthly lists of liabilities are not prepared to reconcile to the account balances.

The bank reconciliation process only includes documenting the transactions that have cleared the bank; however, reports of outstanding checks and deposits in transit are not prepared or reviewed. We determined the reconciled bank balances for the bond, fee, and commissary accounts as of October 31, 2018, were \$512; \$3,842; and \$17,902 respectively. Office personnel did not prepare a list of liabilities for any of these accounts. The commissary system can generate a list of liabilities report indicating the inmate's individual account balances, but office personnel do not generate this report to reconcile the report to the commissary reconciled balance. The commissary bank account also contains commissary net proceeds that have not been turned over to the Inmate Prisoner Detainee Security Fund (see section 1.3).

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular



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identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

1.3 Inmate Prisoner Detainee Security Fund

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. Net proceeds from commissary sales, and commissions received from commissary vendors for purchases made by inmates are retained with the inmate monies in the commissary bank account. Any amount in the bank account exceeding the inmate monies is considered commissary net proceeds. The Sheriff's office does not track commissary net proceeds, but instead disburses most funds in the commissary bank account once or twice a year to the Inmate Prisoner Detainee Security Fund held by the County Treasurer, leaving a balance of approximately \$10,000 to pay the commissary vendors. Without reviewing the vendor's inmate account balances and tracking commissary net proceeds, the Sheriff cannot ensure enough money is retained in the bank account to cover inmate account balances and pay the commissary vendors.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.4 Deposits

The Sheriff's office does not always make deposits timely or intact. For example, \$2,876 receipted from October 9, 2018, through October 15, 2018, was not deposited until October 23, 2018. In addition, \$570 receipted on October 16, 2018, through October 23, 2018, was not deposited until a \$718 deposit was made on October 26, 2018, even though a deposit was made on October 23, 2018.

Failure to deposit timely or intact increases the risk that loss, theft, or misuse of monies received will go undetected.

1.5 Receivables

The Sheriff does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners and civil paper service fees are adequately identified and pursued. During 2018, the Sheriff's office did not track all board bills or civil paper service fees billed or payments received. As a result, office personnel cannot monitor amounts billed to ensure payments are received and transmitted to the County Treasurer. County records indicate amounts transmitted to the County Treasurer for board bills and civil paper service fees totaled approximately \$51,300 and \$1,300, respectively in 2018.



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Procedures such as independent reconciliations of billing records to jail records or civil paper service records and payments received should be established to ensure prisoner housing and civil paper services are properly billed, collected, recorded, and transmitted to the County Treasurer. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.

Similar conditions
previously reported

Similar conditions to sections 1.1, 1.4, and 1.5 were noted in our 2 prior audit reports. In addition, similar conditions to sections 1.2 and 1.3 were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 1.2 Ensure adequate monthly bank reconciliations are prepared for all bank accounts, and lists of outstanding checks and deposits in transit are prepared. In addition, prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 1.3 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 1.4 Deposit monies timely and intact.
- 1.5 Develop procedures to ensure collections of costs for boarding prisoners and for civil paper services and the proper recording and transmittal of payments received.

Auditee's Response

- 1.1 *The Sheriff will ensure adequate supervisory reviews are conducted on all accounting/bank records and deposits. The Sheriff will review and sign all accounting/bank statements, deposits, and all checks.*
- 1.2 *Bank reconciliations are now being done monthly on the bank accounts. Our accounts are reconciling to zero, besides the commissary account. We now obtain/create a list of inmate monies and reconcile it to the commissary account.*
- 1.3 *A minimal account balance, as deemed appropriate by the Sheriff to ensure continuous operation of the jail's facilities (i.e. commissary*



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payments, inmate phone systems, and returned inmate funds), will be maintained in the commissary account. The commissary account will be reviewed for liabilities monthly. Net proceeds will be transferred from the commissary account to the Inmate Prisoner Detainee Security Fund quarterly.

1.4 *The Sheriff's office will make deposits weekly and intact. All monies as they are received are kept in a lock box. The key to the lock box is kept in a safe in the Sheriff's office with limited access to the safe by the Sheriff, Administrative Clerk, and the Chief Deputy.*

1.5 *The Sheriff's office has established procedures to track civil service fees billed and payments received. The Civil Process Administrator will log all paper service requests into the Omnigo Public Safety Software with check number/receipt number. Once service is completed, papers will be processed for mileage and entered into the Omnigo program and the mileage will be billed. Once a month, on the first of the month, the Civil Process Administrator will reconcile the accounts and send out payment due reminders. Any accounts not paid within 90 days will be suspended until payment is received. Once the ledger is complete it will be sent to the Administrative Clerk, reviewed by the Sheriff, and the Administrative Clerk will make the deposits. The Sheriff's office has purchased QuickBooks to track board bills. Board billing is currently pending review until guidance is given by the Missouri courts and the state legislature.*

2. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$68,000 in bad check and court-ordered restitution and fees during the year ended December 31, 2018.

2.1 Disbursements

The Prosecuting Attorney's office does not always timely disburse bad check payments to victims or fees received to the County Treasurer. The Prosecuting Attorney's office did not disburse \$3,610 in bad check payments received from May 2018 through September 2018 until October 15, 2018. The Prosecuting Attorney indicated during that period his office experienced several changes in office personnel, resulting in the disbursements being untimely.

To ensure all receipts are accounted for properly and reduce the risk of loss, theft, or misuse of funds, bad check payments and fees received should be disbursed timely. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. In addition, pursuant to Section 50.380,



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RSMo, the Prosecuting Attorney may be subject to penalties for failure to timely disburse fees to the County Treasurer.

2.2 Liabilities

The Prosecuting Attorney does not ensure a monthly list of liabilities for the office's main bank account is prepared and agreed to the reconciled bank balance. The liabilities for the Prosecuting Attorney's main bank account was \$714 at December 31, 2018. The reconciled bank balance was \$1,831 at that date, leaving an unidentified balance of \$1,117.

Monthly lists of liabilities should be reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. Further, various statutory provisions provide for the disposition of unidentified monies.

Recommendations

The Prosecuting Attorney:

- 2.1 Disburse bad checks payments to victims timely and bad checks fees in accordance with state law.
- 2.2 Prepare a monthly list of liabilities and reconcile the list to the reconciled bank balance monthly. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

Auditee's Response

- 2.1 *Although some fees were not distributed within 30 days, all fees and restitution were fully dispersed to the County Treasurer and to victims since taking office in 2013.*
- 2.2 *The Prosecuting Attorney has tasked a CPA with reconciliation of restitution and fees. All fees and restitution are fully dispersed to the County Treasurer and victims.*

3. Public Administrator's Annual Status Reports

The Public Administrator does not always file annual status reports timely or accurately.

During our review of 53 cases with status reports due in 2018, status reports were not filed timely for 12 of the 36 (33 percent) cases submitted. These 12 status reports were filed up to 10 months after the due date. In addition, 15 (42 percent) status reports submitted were not accurate and the Public Administrator had to correct and resubmit them. For example, for one status report, the total obtained when adding the amounts on the list of disbursements did not agree to the disbursement total indicated on the report. The Probate Judge granted extensions for all 17 status reports not submitted with one extension 212 days after the original due date. The Public Administrator does not keep a record of when annual status reports are due to



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the court. Instead, she relies on the Circuit Court, Probate Division Clerk to send her reminder notifications.

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

Recommendation

The Public Administrator ensure annual status reports are filed timely and accurately.

Auditee's Response

The Public Administrator agrees with the recommendation and will take steps to implement the recommendation. The Public Administrator has submitted all status reports that are currently due to the Circuit Court, Probate Division. The Public Administrator now keeps due dates on the calendar to help with timeliness, and will use the previous status report to ensure the accuracy of the starting balance of the current status report.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Assessor, County Collector, County Clerk, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to periodically change their passwords. In addition, the passwords used by employees in the office of the Recorder of Deeds are not required to have a minimum number of characters.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed in 5 offices and do not contain a minimum number of characters in one office there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should contain a minimum number of characters and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

Security controls are not in place to lock computers in the office of the Recorder of Deeds after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are



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necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords.

4.3 Data backups

The Public Administrator does not back up computer data leaving the office at risk if data is lost or destroyed.

Preparation of backup data increases assurance data could be recovered if necessary. To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be backed up periodically, tested on a regular basis, and stored at a secure off-site location.

Recommendations

The County Commission work with other county officials to:

- 4.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.
- 4.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts.
- 4.3 Ensure computer data is backed up periodically and stored at a secure off-site location.

Auditee's Response

The County Commission will work with all county officials to implement these recommendations.

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Organization and Statistical Information

Dent County is a county-organized, third-class county. The county seat is Salem.

Dent 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. In addition to elected officials, the county employed 47 full-time employees and 20 part-time employees on December 31, 2018.

In addition, county operations include a Senate Bill 40 Board and Senior Citizens Services Board.

Elected Officials

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

Officeholder	2019	2018
Darrell Skiles, Presiding Commissioner	\$	29,060
Dennis Purcell, Associate Commissioner		27,060
Gary Larson, Associate Commissioner		27,060
Cindy Ard, Recorder of Deeds		41,000
Angie Curley, County Clerk		41,000
Andrew M. Curley, Prosecuting Attorney		139,693
Bob Wells, Sheriff		45,000
Denita Williams, County Treasurer		41,000
Gina White, County Coroner		13,000
Sherida Cook, Public Administrator		41,000
Dennis O. Medlock, County Collector (1), year ended February 28,	46,500	
Tina Whitaker, County Assessor, year ended August 31,		41,000
Craig Ruble, County Surveyor (2)		

- (1) Includes \$5,500 of commissions earned for collecting city property taxes.
- (2) Compensation on a fee basis.



Dent County
Organization and Statistical Information

New sales taxes

In April 2017, voters approved 2 new 1/2-cent sales taxes for the county. A 1/2-cent sales tax expires in April 2038 and was approved for the purpose of the construction of a new jail for detention facilities, and to the extent funds are available, construction of law enforcement administrative space and an additional courtroom. The other 1/2-cent sales tax was approved for the purpose of the construction of a new jail for detention facilities, operations of the new facilities, and to the extent funds are available, construction of law enforcement administrative space and an additional courtroom. This sales tax has no expiration.