

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

Nicole Galloway, CPA

Missouri State Auditor

Stone County

Report No. 2020-037

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Stone County

Public Administrator's Controls and Procedures	The Public Administrator does not always file annual settlements and/or status reports timely. The Public Administrator does not assess and collect fees from the accounts of most wards and estates. The Public Administrator lacked adequate documentation for several gift cards purchased for a ward during the year ended December 31, 2019.
Sheriff's Controls and Procedures	Sheriff's office personnel do not deposit receipts timely and restrictively endorse checks upon receipt. The office also (1) does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners are adequately identified and pursued, (2) has not established procedures to routinely follow up on outstanding checks in the Inmate bank account, and (3) charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law.
County Collector's Controls and Procedures	The County Collector does not monitor and/or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund, and as a result during the year ended December 31, 2019, she withheld approximately \$77,700 more from tax collections for the Assessment Fund than allowed by state law. The County Collector does not adequately monitor taxpayer balances in the partial payment account. The County Collector's Deputy does not account for the numerical sequence of manual receipt slips issued for partial payments.
Payroll Controls and Procedures	Timesheets are not prepared for salaried employees and their vacation, sick leave, or compensatory time earned and taken is not tracked. Salaried employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid.
Prosecuting Attorney's Depositing Procedures	The Prosecuting Attorney's office does not deposit receipts timely.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

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

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Stone County

We have audited certain operations of Stone County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

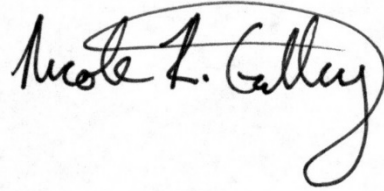
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

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 control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. 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 Stone 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:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
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	Kayla G. Gipson

Stone County Management Advisory Report State Auditor's Findings

1. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need significant improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 52 wards and estates as of December 31, 2019.

1.1 Filing

The Public Administrator does not always file annual settlements and/or status reports timely. During our review of 42 cases, we found 37 cases did not have annual settlements or status reports filed timely. Settlements filed (or still due) for these cases ranged from 103 days to more than 7 years after the due date. For 8 cases, the settlement or report was overdue by more than 5 years.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement and/or status report with the court for each ward or estate. Timely filing of annual settlements and/or 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.

We noted a similar condition in our prior audit report. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

1.2 Fees

The Public Administrator does not assess and collect fees from the accounts of most wards and estates. During the year ended December 31, 2019, fees totaling \$2,781 were assessed and paid to the county treasury for only 2 of the wards and/or estates. Section 473.742.4, RSMo, provides all fees collected by the Public Administrator who elects to be salaried are to be deposited into the county treasury.

To ensure fees are consistently assessed against the accounts of the wards and estates and remitted to the county treasury, the Public Administrator should work with the court to establish a policy for fees to be assessed.

1.3 Gift cards

The Public Administrator lacked adequate documentation for several gift cards purchased for a ward during the year ended December 31, 2019. One ward receives gift cards on a regular basis for shopping trips. The Public Administrator provided receipts totaling \$2,355 for the purchase of the gift cards and the ward submitted receipts totaling \$1,723 to the Public Administrator to support the purchases made with these cards.

Using the receipts from both the Public Administrator and the ward and the beginning balances of the gift cards (when available) as indicated on the receipts provided by the ward, we determined the ward did not submit receipts for purchases totaling at least \$632.



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To ensure payments are valid and proper and to reduce the risk of loss, theft, or misuse of ward assets, adequate supporting documentation should be maintained for all disbursements, including monies or other items of value provided to a ward.

Recommendations

The Public Administrator:

- 1.1 File annual settlements and/or status reports timely.
- 1.2 Work with the court to establish a policy outlining the fees to assess wards and estates and ensure these fees are assessed and paid to the county for all applicable wards and estates.
- 1.3 Obtain and retain documentation for monies or other items of value provided to wards.

Auditee's Response

- 1.1 *Many of the same reasons the annual settlements and/or status reports that were noted in your last audit report (Report No. 2016-142) as not being filed in a timely manner remained the same through December 2019. My office operates with no staff other than myself, and trying to carry a heavy and complicated caseload does not always leave time for "timely filings" to the court. I predict that this will improve greatly as the county has now provided my office with a part-time employee. This employee was hired the middle of October 2019 and with only working 20 hours a week and moving to a new office, did not leave enough time to "catch-up" on filings to the court prior to your audit. I did not receive a list of the 37 cases that you refer to in your report, but I do know that of the files that you specifically requested that some of those estates have had filings in them since the first of the year (2020) and some of the files that have been opened for several years that you noted in your audit have since been resolved and closed since your team left the county and since the first of this year also. In summary, with the new employee and hopefully a new "estate management computer program" that was approved in my 2020 budget, the controls and procedures in my office will have significant improvement moving forward. I would like to note however, that the purchase of the computer program is now on hold due to the hit that Covid-19 has caused on tax revenues and the affect that the virus has had on available funds coming into the county. If these issues are resolved and allow for the program to be purchased, this computer program will be a "game-changer" for this office and the ability to get the settlements and reports filed in a timely manner.*
- 1.2 *I would concur that fees being assessed and collected from the accounts of wards and estates have a direct impact on our county's*



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budget and I totally agree with the importance of collecting those fees for the county when the funds are available. During the year 2019 that you note in your audit, it is true that only \$2,781 was collected in fees. For the year 2019, I had budgeted for anticipated fees in the amount of \$15,000, which is far short of the \$2,781 collected. Two decedent estates that we had anticipated closing in 2019 did not close, due to issues beyond the control of my office. Therefore, the amount of fee revenues not collected in 2019 were budgeted for collection in 2020 and increased by the \$10,000 that was not received in 2019. We know these cases will be resolved and closed in 2020. The 2020 budget for anticipated fees is \$25,000, most of which I would anticipate collecting as many of my indigent wards have received stimulus checks due to Covid-19 relief. Therefore, after taking care of some of their personal pressing needs and burial plans, I hope to have some of those stimulus funds remaining to turn over to the county for fees. I would note that in some of those estates that have been closed since you left the county (as mentioned in 1.1 of my response above), \$10,089 has already been paid over to the county in 2020 from these closed estates since January 1. This amount reflects the fees from the estates that we weren't able to get closed in 2019 and therefore would have made the amount of \$2,781 look much different. It is very important to note that only one of my ward's during 2019 was not considered "indigent" and without funds to pay fees, The largest majority of my caseload is always overwhelmingly indigent and without funds to pay fees. The term, "you can't get blood from a turnip" truly applies here. The policy with the court will remain the same. As funds for fees are available to be petitioned for, an application will be submitted to the Probate Court for approval of fees, and after the court's approval will be deposited to the county treasury, as has always been policy.

- 1.3 *I concur that there needs to be improvement in collecting the supporting documents that need to be turned in to my office by the ward that you point out in your findings. We continue to work with and educate this ward and there has been some improvement since the first of the year. The other two wards that I routinely purchase monthly shopping cards for, always turn their receipts in to my office. However, I do agree that this ward in your findings does struggle to remember to keep receipts and tends to lose them often. Due to him being homeless most of the time and moving from place to place, it is difficult for him to keep up with all the receipts, but for these same reasons it would be very difficult for me to personally take him shopping.*

It is my understanding that there is a process whereby, I can obtain directly from Walmart the copies of any or all missing receipts that



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my ward failed to turn in. For this purpose, and as I have explained in the past, shopping cards are so much better than giving wards cash. Shopping cards can be used to protect the funds and assure that there is no risk of loss or theft, as the cards can be canceled and reissued and duplicate receipts can be recovered from Walmart. Concerning our discussions about the purchase of shopping cards for my wards, I have also implemented your suggestion and procedure of having my wards sign the receipts that reflect the purchase of the shopping cards that are purchased for them, in order to verify their receipt of the cards.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected approximately \$290,000 for civil paper service, bonds, concealed carry weapon permits, commissary commissions, and other miscellaneous receipts during the year ended December 31, 2019.

2.1 Receipts and deposits

Sheriff's office personnel do not (1) deposit receipts timely and (2) restrictively endorse checks upon receipt. Receipts are typically deposited once a week. During a cash count performed on December 17, 2019, we identified 11 checks, totaling \$668, that were not restrictively endorsed. Checks are endorsed when the deposit is prepared.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies will occur and go undetected.

2.2 Board bills

The Sheriff's office does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners are adequately identified and pursued. During 2019, the office personnel did not track all board bill payments on the log maintained. As a result, they could not monitor amounts billed to ensure payments were received and properly disbursed. County budgets indicate the county received board bill payments totaling approximately \$251,000 in 2019.

Procedures such as independent reconciliations of billing records to jail records and payments received should be established to ensure all prisoner housing is properly billed and payments are received, recorded, and appropriately transmitted. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.

2.3 Outstanding checks

The Sheriff's office has not established procedures to routinely follow up on outstanding checks in the Inmate bank account. As of November 30, 2019, 79 checks totaling \$389 had been outstanding for more than a year, with some checks dating back to December 2016.



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Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.4 Paper service fees

The Sheriff's office charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff collected approximately \$25,000 for civil paper service fees, including mileage, during the year ended December 31, 2019.

Section 57.280, RSMo, provides that the Sheriff be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Charging a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

Recommendations

The Sheriff:

- 2.1 Deposit monies timely and restrictively endorse checks at the time of receipt.
- 2.2 Develop procedures to ensure all prisoner housing is properly billed and payments are received, recorded, and appropriately transmitted.
- 2.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.
- 2.4 Ensure civil paper service fees are charged in accordance with state law.

Auditee's Response

- 2.1 *All checks are now double checked to make sure they were not missed being endorsed when receipted. Per the December 2016 audit, the Sheriff's office was told a weekly receipt deposit was considered timely. Effective immediately the Sheriff's office will deposit receipts timely.*
- 2.2 *The previous Jail Administrator stopped tracking the board bill payments in late 2019. That Jail Administrator has since been relieved of his duty. This problem has since been rectified. The Sheriff's office now has a full-time employee along with the new Jail Administrator to track all board bills and payments daily.*
- 2.3 *Checks are issued for inmates that are transferred to another facility, including the Missouri Department of Corrections. The checks are sent to the facility with the inmate's personal belongings and held in*



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the inmate's property until the inmate is released. We are looking at other ways to rectify this.

2.4 *Effective, February 28, 2020, after the Auditor's recommendation the Sheriff's office changed the fees for civil paper services to \$30, plus a fee for actual mileage.*

Auditor's Comment

2.1 The timeliness of deposits is dependent on the amount of monies on hand. Based on our review of receipts in the Sheriff's office during the year ended December 31, 2019, depositing once a week is not sufficient and increases the risk that loss, theft, or misuse of monies will occur and go undetected.

3. County Collector's Controls and Procedures

Controls and procedures in the County Collector's office need improvement. The County Collector collected approximately \$32 million in property taxes and other monies during the year ended February 29, 2020.

3.1 Assessment withholdings

The County Collector does not monitor and/or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund, and as a result during the year ended December 31, 2019, she withheld approximately \$77,700 more from tax collections for the Assessment Fund than allowed by state law.

Section 137.720.1, RSMo, requires a one percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3, RSMo, requires an additional one-half percent commission. However, Section 137.720.3, RSMo, limits the one-half percent deduction to \$75,000. After this limit is reached, the total percentage used should be reduced. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

3.2 Partial payments balances

The County Collector does not adequately monitor taxpayer balances in the partial payment account. As a result, the County Collector held monies that should have been refunded or applied to tax bills. As of January 2020, approximately 31 taxpayers had balances in the account.

Partial payment records included activity for 8 taxpayers with balances totaling \$2,317 that should be refunded. These taxpayers have not made a partial payment since at least January 2019 and do not owe any taxes to the county.

In addition, 2 taxpayers had balances sufficient to pay some or all of their taxes due, but since the taxes remained unpaid, these taxpayers continued to



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accrue interest and penalties on their delinquent tax bills. One of these taxpayers owed 2019 taxes totaling \$1,178 but had an account balance of \$1,200. However, since the balance had not been applied to taxes due, interest and penalties totaling \$157 have accrued as of February 2020. The County Collector indicated taxpayers are responsible for notifying the office if they want to use their partial payment balance to make a tax payment.

Without regular identification of taxpayer balances and comparison to taxes due, there is less likelihood payments will be promptly applied and refunds will be issued when necessary.

3.3 Manual receipts

The County Collector's Deputy does not account for the numerical sequence of manual receipt slips issued for partial payments. As a result, there is no assurance that all partial payments received have been properly recorded and deposited.

Failure to implement adequate receipting procedures increases the risk of loss, theft, or misuse of monies will occur and go undetected.

Recommendations

The County Collector:

- 3.1 Review Assessment Fund withholdings for past years, determine the excess amount distributed to the Assessment Fund, and disburse that amount to the taxing authorities. The County Collector should also ensure the percentage to be deducted from property taxes for the Assessment Fund is properly reduced in future years once the \$75,000 limit is reached.
- 3.2 Monitor partial payment account balances to determine if taxpayer balances are sufficient to apply to taxes due. Also, the County Collector should timely process refunds when necessary.
- 3.3 Account for the numerical sequence of manual receipt slips.

Auditee's Response

- 3.1 *This error was due to an interpretation of the law by both the County Collector and the previous County Assessor in the calculation of additional assessment deductions as per Section 137.720, RSMo, and the corresponding limits as to how the assessment limits were to be calculated. After recommendation by State Auditor's Office, this has been resolved and refunds issued for 2019. The County Collector's office is currently gathering data for prior years to be reviewed by the County Commission and the County Assessor, who will have to determine if, when and how any refunds are to be made (since previous years withholdings have already been disbursed to the Assessment Fund). As a direct result of this audit, the formula to calculate future assessment deductions and corresponding limits has*



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been amended, and the County Commission and County Assessor have been advised to adjust future budgets due to Assessment Fund withholding refunds to be made to taxing entities by the County Collector in February of each year.

3.2 *Partial payments are a time consuming part of the job, and offered as a service primarily to the taxpayer who is delinquent and in jeopardy of forfeiting their property in the county's tax certificate sale. Taxpayers are told up front that interest and penalties will continue to accrue on their account until their account can be posted paid (enough monies received to do so). Taxpayers are also told to check with this office regularly as to their balance in their partial payment account and the balance due to be able to post payment. This office tells partial payment customers they need to tell us when to apply payment, either verbally or on their final check memo. Contrary to the audit findings, this office does check the balance in the partial payment account regularly (monthly), and applies them if we see funds are available, but we believe that ultimately the taxpayer should be telling us when to apply their funds. Refunds are made annually on stagnant partial payment accounts if no delinquent taxes can be identified for the taxpayer.*

3.3 *Multiple receipt slips books on different employee's desks make numerical sequencing of receipts difficult, so the County Collector will now make only one receipt slip book available for all staff to share and sign. This single receipt slip book will be used for manual receipts of all partial payments received by any employee within the County Collector's office.*

Auditor's Comment

3.2 The County Collector's response states that her office checks the balances in the partial payment accounts monthly. However, during the exit conference, the County Collector indicated during the busy season from October through January, partial payment balances are only reviewed if time allows. In addition, audit staff saw no documentation to indicate monthly reviews occurred. Also, as noted in the finding, partial payments made by a taxpayer exceeded the amount of taxes due, but the payments were not applied to the taxes and continued to accrue interest and penalties.

4. Payroll Controls and Procedures

Controls and procedures over payroll need improvement. Payroll expenses totaled approximately \$5,476,000 for the year ended December 31, 2019.

4.1 Timesheets and leave records

Timesheets are not prepared for salaried employees and their vacation, sick leave, or compensatory time earned and taken is not tracked. In addition, the county's personnel policies only requires salaried employees to report and use



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leave if a full day is taken. However, only estimated hours worked are entered into the payroll system for salaried employees.

Without accurate timesheets or a record of leave taken, the county cannot ensure hours worked and leave earned and taken by salaried employees are properly documented. Leave records also aid in determining final compensation for employees leaving county employment. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

4.2 Advanced payments

Salaried employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid. The County Clerk's office distributes payroll for all salaried employees on the 15th of each month for the period ending the last day of the month. In addition, as indicated in section 4.1, salaried employees do not prepare timesheets or report actual hours worked; therefore, actual hours worked cannot be compared to estimated hours for these employees.

To ensure payroll disbursements are appropriate and to reduce the risk of errors and the potential for employees to be over/under paid, the County Commission should require adequate documentation to support all payroll transactions.

Similar conditions previously reported

We noted similar conditions to section 4.1 in our prior 5 audit reports. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented. We also noted a similar condition to section 4.2 in our 2 prior audit reports. Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

Recommendations

The County Commission:

- 4.1 Require salaried employees to prepare timesheets and ensure leave records are maintained for all employees.
- 4.2 Discontinue compensating salaried employees in advance of receiving services, or establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary.

Auditee's Response

- 4.1 *The Auditor's recommendation is appropriate for counties that have salaried employees who are not exempt from FLSA overtime. However, all of Stone County's salaried employees earn more than \$679 per week (annualized \$35,308 per year), which is the standard salary level for FLSA overtime exemption, and are not ordinarily eligible to accrue overtime or compensatory time. If an employee*



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earns less than that amount, the employee is reclassified as hourly, will keep time records, and is eligible to accrue overtime or compensatory time.

Only a few of the county's employees are salaried/exempt, and are considered supervisory or professional. The County Commission and the elected officeholder or department head review the status of each salaried employee at least annually at budget time. The department head or elected official continually monitors each salaried/exempt employee's attendance, hours worked, classification status, and performance to ensure that the employee is satisfactorily performing his or her tasks, that they are satisfactorily in attendance at work, are adequately performing their tasks, and that the county is receiving the best value for its salary expenditures.

The County Commission proposes to adopt a new policy:

ACCOUNTING FOR LEAVE BENEFITS FOR SALARIED EMPLOYEES.

The County does not require salaried employees to maintain time cards or time records. However, as a management tool to monitor salaried employee's attendance:

- 1. A non-law enforcement salaried employee shall notify his or her supervisor if he or she has worked more than 40 hours in a week.*
 - 2. A law enforcement salaried employee shall notify his supervisor if he or she has worked more than 85.5 hours in a 14-day period.*
 - 3. A salaried employee shall notify his or her supervisor of all leave time used, including sick leave, vacation leave, holiday leave, and bereavement leave.*
- 4.2 The County Commission considered and addressed this recommendation in past audits. The recommendation of the State Auditor's Office to discontinue paying officeholders and salaried employees in advance is well founded. However, in the last 25 years, there has only been one instance where reimbursement of wages was required for a salaried employee, and the county successfully received reimbursement. The County Commission needs to be conscious of the financial obligations of our salaried officeholders and employees. Because officeholders and salaried employees have adjusted their monthly expenses to the county's longstanding pay schedule, the County Commission believes that changing*



officeholders' and salaried employees' pay dates will cause financial hardship to officeholders and salaried employees.

Auditor's Comment

- 4.1 The County Commission's response indicates the department head or elected official continually monitors each salaried/exempt employee's attendance, hours worked, classification status, and performance to ensure that the employee is satisfactorily performing his or her tasks. The most efficient method for the department head or elected official to perform these functions is by requiring each employee to prepare a timesheet that is then approved by the department head or elected official.
- 4.2 The County Commission's response does not address the second part of the recommendation that the County Commission establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary. These procedures would be an adequate alternative to discontinuing compensating salaried employees in advance of receiving services.

5. Prosecuting Attorney's Depositing Procedures

The Prosecuting Attorney's office does not deposit receipts timely. The office collected approximately \$85,000 in bad check and court-ordered restitution, delinquent taxes, and related fees during the year ended December 31, 2019.

An office deposit on November 15, 2019, totaling \$930 included \$655 received the previous week from November 4 through November 6, 2019. Another deposit on November 27, 2019, totaling \$1,324 included \$788 received the previous week from November 19 through November 22, 2019.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

We noted a similar condition in our prior audit report. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

Recommendation

The Prosecuting Attorney ensure monies received are deposited timely.

Auditee's Response

The Prosecuting Attorney had a general policy that deposits should be made weekly at a minimum and that cash payments should be deposited more frequently. The Prosecuting Attorney had noticed in reviewing bank statements that in a few instances the office had not made deposits as frequently as they should. With that in mind, the Prosecuting Attorney made a specific policy for the office, beginning in February 2020, as follows:



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Deposits shall be made weekly subject to the following: 1. In no case shall payments, whether money orders, cash or other, be held for more than two nights or kept in the office over the weekend. 2 At no time shall more than \$100 cash be kept in the office overnight.

The Prosecuting Attorney has monitored the bank statements more closely since February 2020 and has seen no violations of this policy. In addition, all payments made to the office have always been and still are kept locked in a safe in a secure location.

Stone County

Organization and Statistical Information

Stone County is a county-organized, third-class county. The county seat is Galena.

Stone 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 157 full-time employees and 12 part-time employees on December 31, 2019.

In addition, county operations include a Planning and Zoning Board, Senior Citizens' Services Board, Disability Board, a Law Enforcement Restitution Board, and neighborhood improvement districts.

Elected Officials

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

Officeholder	2020	2019
Mark W. Maples, Presiding Commissioner	\$	41,210
Wayne Blades, Associate Commissioner		37,125
Harold Smythe, Associate Commissioner		37,125
Amy Jo Larson, Recorder of Deeds		58,500
Cindy Elmore, County Clerk		58,500
Matt Selby, Prosecuting Attorney		141,640
Doug Rader, Sheriff		62,500
Kristi Stephens, County Treasurer		58,500
John Cunnyham, County Coroner		20,000
Glenda Wendy Metcalf, Public Administrator		56,250
Vicki May, County Collector, year ended February 29,	58,500	
Matt Daugherty, County Assessor (1), year ended August 31,		37,500
Brad Hudson, County Assessor (1), year ended August 31,		18,750
Rick Kemp, County Surveyor (2)		

- (1) Brad Hudson served as County Assessor until he resigned effective December 31, 2018. Matt Daugherty was appointed and took office on January 2, 2019.
- (2) Compensation on a fee basis.



Stone County
Organization and Statistical Information

Justice Center Expansion

The county issued Refunding and Improvement Certificates of Participation (COPS) totaling \$5,760,000 in June 2018, for the purpose of refunding a 2009 Refunding COPS and paying the costs of construction and equipping new additions to the county's Stone County Justice Center. Construction remained in progress as of March 19, 2020. The payments are made from the General Revenue Fund and the Black Oak Neighborhood Improvement District Fund. The COPS are scheduled to be paid off in December 2038. The remaining principal and interest due at December 31, 2019, was \$5,195,000 and \$1,821,807, respectively.