



**Susan Montee, JD, CPA**  
Missouri State Auditor

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# Clinton County



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## YELLOW SHEET

### Findings in the audit of Clinton County

Financial Condition	<p>Disbursements in the General Revenue (GR) and Special Road and Bridge (SRB) Funds exceeded receipts in 2008 and 2009, and the same is expected for 2010. As a result, the financial condition of these funds is weakening. The most significant increases in disbursements were for salaries, which increased approximately \$135,000 from 2007 to 2008. As a result of insufficient space in the county jail, the GR Fund incurred increased costs of approximately \$100,000 annually in 2008 and 2009 over 2007 to house county prisoners elsewhere. The SRB Fund also incurred unexpected costs in 2008 as a result of several significant weather events, including a tornado and an ice storm. Concerns with the accuracy of the budget estimates may also contribute to the county's financial condition. Receipts and disbursements were significantly overestimated in budget documents for the GR and SRB Funds.</p>
County Collector's Procedures	<p>Significant weaknesses exist in the County Collector's procedures. Theft or misuse of funds could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. At November 30, 2009, collector liabilities exceeded the reconciled cash balance by \$10,865. The difference had not been identified by the County Collector because she does not prepare formal bank reconciliations in a timely manner and does not compare the reconciled bank account balances to existing liabilities. In addition, large amounts of cash collections were not deposited intact or in a timely manner. At November 30, 2009, the County Collector had more than \$92,000 of undeposited cash. Some collections were not disbursed in a timely manner, the Collector has not established procedures to routinely follow up on outstanding checks, and the partial payment ledger was not kept up to date.</p>
Property Tax System	<p>The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. There is no independent and subsequent comparison of additions and abatements prepared by the County Assessor to actual changes to the property tax records or to amounts approved by the County Commission. The County Clerk does not maintain an account book or other records with the County Collector summarizing property tax charges, transactions, and changes. As a result, the County Collector's annual settlements are not adequately reviewed. In addition, the County Clerk does not prepare or verify the accuracy of the delinquent tax books.</p>
Sheriff's Commissary Procedures	<p>Adequate procedures are not in place to account for inmate monies collected by the Sheriff for commissary activity. Accounting duties are not adequately segregated. Sheriff's office employees did not maintain a cumulative book balance of commissary monies, including a list of liabilities, and did not reconcile accounting records to the bank account. In addition, commissary profits are not turned over to the county periodically.</p>



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### Prosecuting Attorney's Procedures

The clerk who is responsible for all bad check receipting, recording, and disbursing functions also has the ability to post account adjustments to the system without documented independent approval of the adjustment. During 2009 and 2008, the Prosecuting Attorney made extra payments from the Prosecuting Attorney Bad Check Fund totaling \$9,000 and \$6,000, respectively, to supplement wages of his employees. These payments were not included in the county payroll records, were not reported on employee W-2 forms, and were not subject to proper withholdings.

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# **SUSAN MONTEE, JD, CPA**

## **Missouri State Auditor**

To the County Commission  
and  
Officeholders of Clinton County

We have audited certain operations of Clinton County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn, & Moots, Certified Public Accountants, has been engaged to audit the financial statements of Clinton County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

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

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. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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.

The accompanying Management Advisory Report presents our findings arising from our audit of Clinton County.



Susan Montee, JD, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Matthew Goans Robert Graham

# Clinton County Management Advisory Report State Auditor's Findings

## 1. Financial Condition

Disbursements in the General Revenue (GR) and Special Road and Bridge (SRB) Funds exceeded receipts in 2008 and 2009, and the same is expected for 2010. As a result, the financial condition of these funds is weakening. Weaknesses in the county's budget process may be contributing to the county's declining financial condition.

### 1.1 Declining fund balances

The following table reflects the receipts, disbursements, and cash balances of the GR and SRB Funds for the last 2 years as well as anticipated amounts from the 2010 approved budget:

	Year Ended December 31,		
	2010 (budgeted)	2009 (actual)	2008 (actual)
<b>General Revenue Fund</b>			
Beginning balance, January 1	\$ 14,840	77,197	191,575
Receipts	2,177,799	2,222,740	2,489,535
Disbursements	(2,629,738)	(2,285,097)	(2,603,913)
Ending cash balance, December 31	(437,099)	14,840	77,197
Other net resources available	441,000		
Estimated ending balance, December 31	\$ 3,901		
<b>Special Road and Bridge Fund</b>			
Beginning balance, January 1	\$ 70,215	299,419	603,558
Receipts	2,240,721	1,710,897	1,829,234
Disbursements	(2,492,490)	(1,940,101)	(2,133,373)
Ending balance, December 31	\$ (181,554)	70,215	299,419
Other net resources available	498,480		
Estimated ending balance, December 31	316,926		

The county also sets aside monies from the GR Fund into an Emergency Fund. The Emergency Fund's cash balance as of December 31, 2009 was \$71,323.

The most significant increases in disbursements were for salaries, which increased approximately \$135,000 from 2007 to 2008. All county employees (other than elected officials) received cost of living raises in 2008. In addition, as a result of insufficient space in the county jail, the GR Fund incurred increased costs of approximately \$100,000 annually in 2008 and 2009 over 2007 to house county prisoners elsewhere. Total disbursements from the GR Fund increased approximately \$550,000 from 2007 to 2008. The SRB Fund also incurred unexpected costs in 2008 as a result of several significant weather events, including a tornado and an ice



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storm. The County Clerk indicated the county is still owed an undetermined amount from the federal government for some of these costs.

The County Commission indicated it is aware of the financial condition of these funds and is monitoring the financial condition through preparation and review of monthly budget reports. It is essential the County Commission address the financial condition both in the immediate and long-term future. Considering the financial condition of the above county funds, all county officials must carefully evaluate the use of county resources for reasonableness and benefit to the county.

## 1.2 Budget estimates

Concerns with the accuracy of the budget estimates may also contribute to the county's financial condition. Receipts and disbursements were significantly overestimated in budget documents for the GR and SRB Funds. SRB Fund budgeted receipts exceeded actual receipts by 28 and 25 percent in 2008 and 2009, respectively. SRB Fund budgeted disbursements exceeded actual disbursements by 14 and 22 percent in 2008 and 2009, respectively. In addition, the 2010 SRB Fund budgeted amounts are consistent with the amounts budgeted for 2008 and 2009. Similarly, GR Fund budgeted receipts exceeded actual receipts by 15 percent, and budgeted disbursements exceeded actual disbursements by 13 percent in 2009.

Accurate budget documents are an essential tool for the efficient management of county finances. By overestimating budgeted amounts, the County Commission has not provided an accurate representation of the county's expected financial activity. The county has a fiduciary responsibility to present the budget as a complete financial plan that is appropriate and reasonable.

## Recommendations

The County Commission:

- 1.1 Evaluate disbursements, reduce discretionary spending to the extent possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all funding sources.
- 1.2 Ensure the county budget contains complete and accurate estimates of receipts and disbursements.

## Auditee's Response

*The County Commission provided the following written responses:*

- 1.1 *Commissioners will make every effort to scrutinize expenditures and make sure all monies expended are in keeping with budgeted projections and cash on hand.*





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1.2 *Clerk will provide to Commissioners on a monthly basis actual receipts along with current expenditures. Clerk will change the way budget summary sheets are filled out to better estimate monies at hand.*

## 2. County Collector's Procedures

Significant weaknesses exist in the County Collector's procedures. Theft or misuse of funds could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. Liabilities exceeded the reconciled cash balance by \$10,865. The difference was not detected on a timely basis due to various control weaknesses including not preparing bank reconciliations in a timely manner and not reconciling liabilities to cash balances. In addition, large amounts of cash were not deposited timely, monies are not distributed timely, and outstanding checks are not followed up adequately. Procedures for the partial payment ledger and account are also in need of improvement. The County Collector's office processed collections totaling approximately \$17.5 million annually during the years ended February 28, 2010 and 2009.

### 2.1 Bank reconciliations

At November 30, 2009, the County Collector's main bank account had liabilities that exceeded the reconciled cash balance by \$10,865. The difference had not been identified by the County Collector because she does not prepare formal bank reconciliations in a timely manner. As of April 2010, the last bank reconciliations prepared for the Collector's four bank accounts were for November 2009. In addition, the County Collector does not compare the reconciled bank account balances to existing liabilities.

At November 30, 2009, the County Collector's main bank account had a reconciled balance of \$503,595. We calculated liabilities totaling \$514,460, including November taxes of \$336,180, surtax of \$38,798, payment in lieu of tax of \$5,055, land tax sale proceeds of \$21,516, and investment interest of \$112,911, resulting in an unidentified difference of \$10,865.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Failure to routinely investigate and resolve unidentified monies increases the possibility of loss, theft, and misuse of funds.

### 2.2 Cash deposits

Cash collections are not deposited intact or in a timely manner. The deposits in transit total on the bank reconciliation for November 30, 2009, for the main bank account included more than \$92,000 in cash, \$75,000 of which was collected from March 2009 through October 2009. It appears the majority of this cash was not deposited until December 2009, with the remainder being deposited in January 2010. The County Collector prepares separate deposits for cash and for checks received each day. The County Collector indicated she deposits checks quickly to ensure they run through



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the bank correctly; however, since there are no such concerns with cash, she holds the cash deposits in bank bags in the safe. A scan of the bank reconciliations for the main account for March 2008 through October 2009 indicated there were significant amounts listed as deposits in transit each month.

The bank account had sufficient monies to cover the distribution of checks for the monthly settlements because collections of interest, surtax, tax sales, and railroad and utility taxes were not distributed timely (see section 2.3).

Due to the susceptibility of cash to theft or misappropriation, it is imperative that all cash be deposited intact and on a timely basis. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, cash should be deposited intact on a timely basis.

## 2.3 Distributions

Some collections were not disbursed in a timely manner. Our review of the distributions made by the County Collector noted the following:

- Interest earned after October 2005 totaling \$115,144 was not distributed until February 2010.
- When surtax was distributed in March 2009, the amount distributed did not include \$32,181 which had been collected in December 2008. This amount was held until February 2010, the next time surtax was distributed.
- Proceeds from tax sales, which are held in August of each year, were not distributed until February 2010 and December 2008, and totaled \$22,271 for 2009, and \$9,777 for 2008.
- At February 28, 2010, the Collector was still holding \$5,896 in the protested account for taxes protested in 2005. The time period for litigation on these protested taxes has long since expired. The balance in the protested account should be transferred to the regular account and distributed to the political subdivisions.

Timely distributions of property tax collections to the political subdivisions are important because most political subdivisions, especially school districts, rely heavily on property tax revenues to fund their operations. In addition, untimely distributions coupled with untimely deposits of significant amounts of cash (see section 2.2), increases the risk of theft or misuse of funds.

## 2.4 Outstanding checks

The Collector has not established procedures to routinely follow up on outstanding checks. A total of 22 checks issued from the main account totaling \$9,102 have been outstanding for over a year, with 15 of the checks



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dated prior to February 2006. Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

## 2.5 Partial payments

The partial payment ledger was not kept up to date. The Collector has not posted activity to the partial payment ledger since September 2009, and a reconciliation between the partial payment ledger and the reconciled bank balance has not been performed. As of September 2009, an unidentified difference of \$99 existed between the ledger balance and the reconciled bank balance. Partial payments are held in escrow until the tax bill is fully paid, whereupon the County Collector records the taxes as paid in the computerized tax system. However, the ledger includes almost 100 accounts totaling more than \$23,000 for which there has been no activity since at least July 2007, and accumulated interest of more than \$7,500.

Recording all partial payment activity on the ledger is necessary to ensure all funds held in escrow are accounted for properly. A properly maintained partial payment account ledger is crucial in the process of identifying liabilities of the County Collector. It is the responsibility of the Collector to make a continued effort to follow-up and resolve any old cases so the appropriate distributions can be made.

## Similar conditions previously reported

Conditions similar to point 2.1 and 2.5 were noted in our prior audit report.

## Recommendations

The County Collector:

- 2.1 Prepare and document bank reconciliations on a monthly basis and compare lists of liabilities to the reconciled balance. An attempt should be made to identify and resolve the differences in the cash balance that currently exist in the main account.
- 2.2 Make deposits intact and in a timely manner.
- 2.3 Distribute collections of interest, surtax, tax sales, and protested taxes in a timely manner.
- 2.4 Establish routine procedures to investigate outstanding checks.
- 2.5 Ensure the partial payment ledger is reconciled to the bank balance periodically and proper records are maintained. In addition, the County Collector should take action to pay out or otherwise resolve all old partial payment accounts.



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## Auditee's Response

*The Collector provided the following written responses:*

- 2.1 *The Auditor's office is wanting us to do another form of bookkeeping that has never been implemented in this office. Within a 30 minute time frame on their last day here they tried to show us how this should be done. Because of the short period of time they spent on this form of bookkeeping they were first \$16,000 long then when I pointed out that they had not accounted for the tax sale then they were \$10,865 short and left it at that. Both figures were in fact incorrect. I mentioned to them that it could possibly be how we are accounting for returned checks on the new computer system. In my research I found checks totaling \$7,659.35 that the Auditor's Office had not accounted for, thus lowering this difference. I have sent all documentation to the Auditor's office covering this finding. In my findings, it is just in how we are putting things down on paper. I will continue to research this matter but in my conversation with the Auditor's Office, because the collectors office has never done this form of bookkeeping, the problem could be a matter of paperwork from prior years and collectors. As per my phone conversation with the Auditor's Office, they suggested I start with zero, go forward and balance from there as the problem could go back to when I inherited the account.*
- 2.2 *After getting the new computer system in, running correctly and where it is in fact balancing the books correctly, we should be more on schedule and be able to keep up with everything, but the conversion year was a very difficult one to say the very least for this office and the clerks and balancing was our first priority.*
- 2.3 *I totally missed the interest as the Treasurer always reminded me in the past. It is still my error, but we changed Treasurers and the new one wasn't aware either. Will do those yearly now again. The surtax was missed in doing the yearly turnover and was discovered when trying to balance the annual. It was distributed with the next turnover of surtax. Tax sales will never be able to be done quickly because of the amount of hand paperwork involved. It is a time consuming process now that we have so much on our yearly tax sale. As for the protested taxes, until the State Tax Commission can get me all the paper work I need for the distribution it will still be in the account. I have called them and have gotten the OK for turning over most of them, the rest will be held.*
- 2.4 *No we have never done anything with outstanding checks. I am going to reissue those that I can and send the rest to the State as unclaimed properties sometime this summer.*



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2.5 *I have already issued refunds on most of the unused partial payments that were being held. The ones I cannot find will go to the State as unclaimed properties. We only use the partial account for bankruptcy as per our last audit so there will only be a very few remaining items in the account once I clear this up. I will look into finding the \$99 difference. As for the interest I am going to turn that over to the county based on how other Collectors are handling this. Since I do not use the partial account very often and only for bankruptcy's and Homestead, I only balance the ledger every few months as there is not much activity in this account and as there is no Homestead money for next year that part will be gone also.*

## Auditor's Comment

- 2.1 It is the responsibility of the County Collector, not the State Auditor's office, to reconcile assets on hand to liabilities. In our prior audit (Report No. 2006-89, *Clinton County*, issued in December 2006), we reported that the County Collector did not prepare monthly lists of liabilities and, as a result, liabilities were not reconciled to the cash balance. Upon our request, a list of liabilities was prepared by the County Collector and at February 28, 2006, liabilities exceeded the cash balance of the regular tax account by \$25. In that report, we recommended the County Collector prepare a monthly list of liabilities, reconcile this list to the reconciled bank balance, investigate any unreconciled differences, and make the appropriate adjustments to correct any differences noted. In response to the recommendation, the County Collector indicated that neither she nor the previous Collector was aware of the need to identify and reconcile liabilities to the bank account balances. She further indicated the procedure would be implemented as soon as time permitted. However, no improvement was noted. We could not verify the effect the additional items provided by the Collector after the exit meeting would have on the difference between liabilities and the cash balance. However, we encourage the Collector to continue to attempt to identify any differences.
- 2.2 The process of balancing should include depositing all monies received in a timely manner, and ensuring the composition of monies received agrees to the composition of deposits.

## 3. Property Tax System

The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. Failure to perform reviews of the tax books and test individual tax statement computations may result in errors and irregularities going undetected. For the 2 years ended February 28, 2010, the County assessed approximately \$17 million annually in property taxes.



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**3.1 Additions and abatements** There is no independent and subsequent comparison of additions and abatements prepared by the County Assessor to actual changes to the property tax records or to amounts approved by the County Commission. The Assessor's office communicates needed changes to the property tax records to the County Collector's office on unnumbered, manual forms. The Deputy County Collector posts the changes to the property tax system. Each month, the County Clerk prepares court orders providing only grand totals of additions and abatements for the County Commission to approve based on reports she generates from the property tax system. The County Clerk does not receive a copy of the manual forms from the Assessor's office or a monthly report of additions and abatements generated by the Assessor. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

A reconciliation by the County Clerk of changes per the Assessor to approved additions and abatements and changes entered into the property tax system by the Collector would provide confidence that changes to the property tax system records are proper.

**3.2 Account book** The County Clerk does not maintain an account book or other records with the County Collector summarizing property tax charges, transactions, and changes. As a result, the County Collector's annual settlements are not adequately reviewed. The County Clerk indicated her review of the County Collector's annual settlements is limited to comparing collections to monthly collection reports submitted by the County Collector.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts, would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements.

**3.3 Delinquent tax books** The County Clerk does not prepare or verify the accuracy of the delinquent tax books. The County Collector prepares the delinquent tax books from the computer system and there is no independent review performed by the County Clerk. Because the County Collector is responsible for collecting property tax monies, good internal controls require someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.



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Section 140.050, RSMo, requires the County Clerk to extend the delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the delinquent tax books, at a minimum, the accuracy of the delinquent book should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

A similar condition was noted in our prior audit report.

## Recommendations

- 3.1 The County Commission and the County Clerk ensure changes to the property tax records are properly approved and monitored.
- 3.2 The County Clerk maintain an account book with the County Collector. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.3 The County Commission work with the County Clerk to establish procedures to prepare the delinquent tax books. If preparation of the tax books by the County Clerk is not feasible, the County Clerk should review tax books for accuracy, test individual tax statements for accuracy, and document all procedures performed.

## Auditee's Response

*The County Commission provided the following written responses:*

- 3.1 *Due to a new computer system the clerk has not received abatements and charges from the Assessor's side only the Collector's side. Every effort will be made to obtain accurate tax abatements and charge information from the Assessor. Currently only the City of Cameron is received from the Assessor and documented.*
- 3.2 *The County Clerk has always in the past maintained a spread sheet balancing with the Collector. With the new Computer system and input errors, a spread sheet was not kept up to date when the auditors were present. Every effort will be made to once again maintain a spread sheet to balance with the Collector's annual settlement statement. It will also be given to the Commissioners for review.*
- 3.3 *The County Clerk has always in the past maintained an account book to balance with the delinquent tax book of the Collector. Due to the new tax program and issues with programming, it was not done for the year audited. Every effort is being made to once again be able to maintain an account book to balance with the Collector's delinquent tax book.*



## 4. Sheriff's Commissary Procedures

Adequate procedures are not in place to account for inmate monies collected by the Sheriff for commissary activity. Commissary account receipts were approximately \$9,100 in 2009 and \$12,200 in 2008.

### 4.1 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's clerk collects monies, records transactions, makes deposits, and prepares checks. The Sheriff does not review any commissary records. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Sheriff.

### 4.2 Commissary records

Sheriff's office employees did not maintain a cumulative book balance of commissary monies, including a list of liabilities, and did not reconcile accounting records to the bank account. As of February 28, 2010, the commissary account contained \$2,585, with identified liabilities of \$1,008. The difference of \$1,577 may be commissary profits. Without maintaining a cumulative book balance, including a list of liabilities, and preparing monthly bank reconciliations there is little assurance cash receipts and disbursements have been properly handled and recorded, or bank and book errors will be detected and corrected in a timely manner.

### 4.3 Commissary profits

Commissary profits are not turned over to the county periodically. The Sheriff's office receives a commission based on the amount of purchases made by inmates. Profits from the sale of commissary items represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.

### Similar conditions previously reported

Similar conditions were noted in our prior audit report.

### Recommendations

The Sheriff:

- 4.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 4.2 Ensure monthly bank reconciliations are prepared and a book balance is maintained for the inmate bank account and a list of liabilities, including individual inmate balances, is reconciled to the book balance on a monthly basis.





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4.3 Turn over all commissary profits to the County Treasurer as accountable fees.

## Auditee's Response

*The Sheriff provided the following written response:*

*All recommendations will be implemented as soon as possible. Thank you for bringing these issues to our attention.*

## 5. Prosecuting Attorney's Procedures

Controls over bad check receipts and disbursements could be improved, and additional compensation paid to employees was not properly reported. Prosecuting Attorney receipts totaled approximately \$129,000 in 2009 and \$160,000 in 2008 for bad check and court-ordered restitution monies.

### 5.1 Adjustments

The clerk who is responsible for all bad check receipting, recording, and disbursing functions also has the ability to post account adjustments to the system without documented independent approval of the adjustment. In addition, adequate documentation of such adjustments was not retained. For example, a \$680 adjustment was made to a defendant's account on the bad check system in February 2010 without documented approval from the Prosecuting Attorney.

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure all adjustments are valid.

### 5.2 Additional wages

During 2009 and 2008, the Prosecuting Attorney made extra payments from the Prosecuting Attorney Bad Check Fund totaling \$9,000 and \$6,000, respectively, to supplement wages of his employees. These payments were not included in the county payroll records, were not reported on employee W-2 forms, and were not subject to proper withholdings.

The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on Forms W-2. Processing these payments through the county's normal payroll process would help ensure the payments are properly reported and withholdings are made.

## Recommendations

The Prosecuting Attorney:

5.1 Require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.



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- 5.2 Ensure all compensation is processed through the county's payroll system and is subject to payroll withholdings and reported on employee W-2 forms.

## Auditee's Response

*The Prosecuting Attorney provided the following verbal responses:*

- 5.1 *All adjustments are now reviewed by the Prosecuting Attorney.*
- 5.2 *This recommendation will be implemented in the event additional compensation is paid in the future.*

# Clinton County

## Organization and Statistical Information

Clinton County is a county-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Plattsburg.

Clinton 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.

### Elected Officials and Their Compensation Paid

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

Officeholder	2010	2009
Randall Relford, Presiding Commissioner	\$	30,565
Charles Dawson, Associate Commissioner		28,485
Larry King, Associate Commissioner		28,485
Molly Livingston, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Mary Blanton, County Clerk (2)		49,279
Bill Burris, Prosecuting Attorney		53,000
K. Porter Hensen, Sheriff		47,840
Leanne Gump, County Treasurer		43,160
Kathleen M. Little, County Coroner		14,450
Nancy Wingate, Public Administrator		43,160
Sharon Cockrum, County Collector (3), year ended February 28,	68,110	
Jerry Howard, County Assessor, year ended August 31,		43,160

- (1) Salary is paid by the state.
- (2) Includes \$6,119 of commissions earned for preparing city property tax books.
- (3) Includes \$24,949 of commissions earned for collecting city property taxes.