

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, "JULY 1820 MISSOURI 1892" at the bottom, and "WE STAND DIVIDED" in the center.

Nicole Galloway, CPA

Missouri State Auditor

Camden County

Report No. 2019-068

August 2019

auditor.mo.gov



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Camden County

County Management Procedures	Procedures related to procurement and disbursement of county funds need significant improvement. The county's procurement, disbursement, and reimbursement procedures do not always comply with the established purchasing manual and travel reimbursement policies. Controls over credit cards need improvement. The county has not adequately restricted access to the accounting and online purchasing systems, and logon credentials are shared among users. The Purchasing department does not ensure compliance with county policies and state law regarding competitive bidding requirements for purchases exceeding \$6,000. The Juvenile Detention Center does not have written contracts with the 4 political subdivisions for which it houses juvenile detainees and the county does not always enter into written contracts when required. The county lacks adequate procedures to account for fuel used by county departments and fuel purchases using credit cards.
Payroll Controls and Procedures	County officials do not always follow personnel policies or update policies when related procedures change. The County Commission has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. The County Clerk did not maintain documentation of approved pay rates and any changes to pay rates in employee personnel files.
Sunshine Law	The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. The County Clerk does not maintain a log of public record requests to ensure all requests are handled in compliance with state law. The county's written policy regarding public access to county records is not adequate. The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and posted to the county's website. Some redactions made to documents do not appear appropriate.
Salary Commission	The Camden County Salary Commission has not met since 2005; however, the salaries of some elected officials increased starting in 2006.
Sheriff's Controls and Procedures	The Sheriff's procedures for receipting, recording, depositing, and reconciling payments need improvement. The Detention Administrative Assistant does not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance. The Sheriff has not established procedures to routinely follow up on outstanding checks for the inmate account. The Sheriff's office does not have adequate procedures to ensure all inmate monies are refunded upon release. The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts. The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's clerk did not prepare adequate bank reconciliations. Receipts are not always deposited timely and prior to disbursement. The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the restitution account.

Wastewater Department's Controls and Procedures	The County Commission and Wastewater Supervisor have not adequately segregated accounting duties and do not perform documented supervisory reviews of detailed accounting and transmittal records. Procedures for receipting, recording, and transmitting monies are not adequate.
Planning and Zoning Department's Controls and Procedures	The Planning and Zoning department has not established proper controls or procedures for receipting and transmitting monies.
Public Administrator's Controls and Procedures	Controls and procedures in the Public Administrator's office need improvement. The Public Administrator does not always file annual settlements timely and does not prepare bank reconciliations timely.
County Clerk's Controls and Procedures	The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The County Clerk has not established proper procedures for receipting and transmitting monies.
Recorder of Deeds' Controls and Procedures	The Recorder of Deeds has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting and bank records. The Recorder of Deeds did not prepare adequate bank reconciliations for January through November 2017. The Recorder of Deeds does not deposit monies timely.
GIS Department's Controls and Procedures	Controls and procedures in the Geographic Information System (GIS) department need improvement. The County Commission has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The GIS department has not established proper controls or procedures for receipting and recording monies.
Senior Board's Depositing Procedures	The Senior Citizens' Services Tax Fund Board does not always deposit receipts timely.

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 Camden County

The State Auditor was requested under Section 50.057, RSMo, to audit Camden County. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Camden County for the year ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. 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.

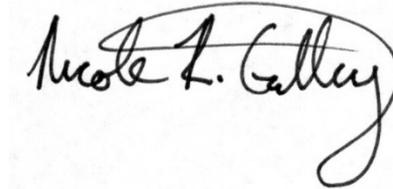
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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 Camden County.

An additional report, No. 2019-069, *Camden County Collector and Property Tax System*, was issued in August 2019.

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

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Camden County Management Advisory Report State Auditor's Findings

1. County Management Procedures

Procedures related to procurement and disbursement of county funds need significant improvement.

The county's purchasing manual indicates the Purchasing department is responsible for purchasing all items necessary to conduct county business, including obtaining bids as required by state law, issuing purchase orders, and maintaining an inventory of supplies in the Central Supply department. The Central Supply department is open daily for county offices and departments to obtain necessary supplies. For services and goods not available in the Central Supply department, a purchase requisition must be submitted to the Purchasing department. The Purchasing department is then responsible for ensuring the required bids and approvals to award the bid are obtained prior to issuing the purchase order and ordering from the vendor. After the vendor delivers the goods or services to the applicable office or department, confirmation of receipt of goods or services is to be returned to the Purchasing department. Upon receipt of the vendor invoice, the Purchasing department pulls the requisition and purchase order, verifies prices, and attaches them to the confirmation of receipt and other pertinent paperwork. The Purchasing department then sends a batch of invoices ready for payment to the County Auditor for approval, after which the batch is sent to County Commission for final approval before being sent to the Accounts Payable department to process the payments.

1.1 Disbursement review and documentation

The county's procurement, disbursement, and reimbursement procedures do not always comply with the established purchasing manual and travel reimbursement policies. As a result, invoices and employee reimbursements are not always properly approved and adequately supported. In addition, the county has no policies or procedures to determine the most cost-effective method to provide or reimburse employees for cell phone service.

Approval and documentation

The Accounts Payable department does not always ensure officials or department heads have documented their review and approval of invoices and reimbursement request forms, and does not always ensure all required supporting documentation, including detailed invoices and acknowledgement of receipt of goods or services, is available prior to paying bills. We noted 14 of 82 disbursements reviewed did not contain the appropriate approvals. We also noted adequately detailed supporting documentation was not available for 21 of 82 disbursements reviewed.

Reimbursements

Employee reimbursements do not always comply with established travel reimbursement policies. In addition, the county reimburses some employees for purchases instead of requiring them to obtain these items from the Central Supply department or through the Purchasing department when items are not available at the Central Supply department. State sales tax was paid on several of these reimbursements. For example, in June 2017 an elected official untimely submitted a reimbursement claim form for 5 months of travel



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expenses and was reimbursed \$873 for 1,617 miles driven to "reviews, classes" between January 18 and May 26, 2017. The travel destinations were noted on the claim form, but no documentation was available to show the purpose of the trips or verify attendance at events. In addition, an employee was reimbursed \$6,816 during 2017 for various items purchased outside the county's normal procurement process including ammunition, firearm accessories, a laptop, electronic storage devices, cell phone accessories, and supplies. These items were picked up by the employee or shipped to the employee's residence. The county paid \$173 in state sales related to these reimbursements.

Cell phones

The county has no bid process for selecting a cell phone provider or analysis of costs to reimburse employees for use of their personal cell phones. In addition, the county does not have a process or criteria for determining which employees will be provided with county cell phones or reimbursed for use of their personal cell phone for county business. Each official or department determines which employees need a cell phone, whether to issue a county cell phone through a vendor, or the amount to reimburse employees for personal cell phone use. The county paid AT&T Mobility \$18,792 and Verizon Wireless \$52,028 during 2017 for cell phone services. The county also reimbursed some employees for using personal cell phones for county purposes. For example, a road and bridge department employee was reimbursed \$40 per month and a circuit court judge was reimbursed \$90 per month during 2017.

Conclusion

Requiring acknowledgement of the receipt of goods and services prior to payment helps ensure the county actually received all items. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation with payment information clearly indicated. County policy requires employees to submit a form accompanied by receipts or other appropriate documentation for travel expenses within 30 days after travel is completed. In addition, Section 50.757, RSMo, requires the purchasing agent to purchase all supplies necessary for all county departments.

1.2 Credit card purchases

Controls over credit cards need improvement. Various county employees use credit cards instead of following the county's purchasing manual and obtaining purchase orders through the Purchasing department prior to purchasing equipment, supplies, and various other items. The county has 20 credit cards that can be checked out by employees and the Sheriff's office has 18 credit cards that are assigned to certain deputies. These cards are used to purchase fuel, supplies, equipment, and various other items. During the year ended December 31, 2017, credit card purchases by Sheriff's office employees and other county employees totaled \$76,195 and \$55,579, respectively. We identified the following problems.



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- The County Commission and the Sheriff have not adopted formal policies and procedures documenting who should be assigned a credit card, appropriate usage for the credit cards, and required documentation to support credit card purchases.

Complete and detailed written credit card policies and procedures are necessary to provide guidance to employees. The County Commission and the Sheriff should develop policies that indicate who should be assigned a credit card and appropriate usage of credit cards and require all invoices to be submitted prior to payment of credit card billing statements.

- County officials do not ensure employees comply with the county's meal reimbursement policy. For example our review of the Sheriff's office credit card purchases made during 2017 identified 25 transactions totaling \$1,624 for food and drink purchases at local restaurants or stores (within the county) for the Sheriff and his employees, although county policy only allows for such reimbursements for travel outside the county. None of these transactions were supported by information demonstrating how the purchase related to the operation of the Sheriff's office or detailing the persons in attendance to ensure the transaction was a reasonable and prudent use of public funds.

In addition, these payments were not added to employee W-2 forms as a taxable benefit as required by Internal Revenue Service (IRS) regulations. This problem continued even though the county was notified after an IRS examination of concerns with reimbursement for daytime meals. In an IRS notice dated September 9, 2015, the IRS instructed the county to include in employees' wages the value of meals reimbursed during travel that is not overnight or change procedures to reimburse meals only when an overnight stay is required.

According to IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses, the cost of business meals that does not involve overnight travel or travel long enough for the employees to stop for sleep or rest to properly perform their duties is a personal expense, and therefore is not deductible as a business expense. In addition, IRS Publication 15-B states that any fringe benefit provided by an employer is taxable and must be included in the employee's pay unless excluded by law.

- The Sheriff does not require an independent review and approval of all purchases made using credit cards. The Sheriff has the Chief Deputy and 2 Captains approve all credit card purchases including their own with no independent review.



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To ensure expenditures are an appropriate use of public funds, the Sheriff should ensure an adequate independent review of all purchases is performed.

Credit card purchases are inherently more risky than other purchases because these purchases are or can be made prior to proper approval. That risk and the potential for fraud or misuse increases even more when internal controls and proper procedures are lacking. Credit card policies and procedures are necessary to ensure all credit card purchases are appropriate and in compliance with county purchasing and meal reimbursement policies, and to reduce the risk of unauthorized purchases occurring. Meal purchases without overnight travel should be monitored and properly reported on W-2 forms.

1.3 User access, identifications, and passwords

The county has not adequately restricted access to the accounting and online purchasing systems, and logon credentials are shared among users. Accounts Payable department personnel have access rights in the accounting system allowing them to create new vendors based on invoices they receive. Because that department is responsible for making disbursements, good internal controls require they not have access rights allowing alteration of the vendor list. Instead, any changes to the vendor list should be performed by the Purchasing department.

In addition, the County Auditor shares his user identification and password with the Purchasing department for the online purchasing system. The Purchasing Manager also shares her user identification and password with the Auditor's Clerk so he can transmit batches of approved purchase orders to the accounts payable system in her absence. The County Auditor is responsible for electronically approving purchase orders and initial approval of invoices submitted for payment. The County Commission performs final approval of invoices. While a user identification and password are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing users to share logon credentials increases the risk of unsupported or unauthorized purchases being made and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be kept confidential to reduce these risks.

System controls would be improved by limiting users access in the accounting and online purchasing systems to only those functions necessary to perform their duties and ensuring all employees maintain confidential passwords.

1.4 Bidding procedures

The Purchasing department does not ensure compliance with county policies and state law regarding competitive bidding requirements for purchases exceeding \$6,000. In addition, the county has not established policies and procedures for the selection of vendors providing professional services.



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For 15 purchases reviewed (all exceeding \$6,000) the Purchasing department could not provide documentation to demonstrate bids or requests for proposals had been solicited. The total annual payments to the vendors associated with these 15 purchases was \$725,397 during 2017. The purchasing manual requires the Purchasing department to solicit sealed bids for purchases estimated to cost \$6,000 or more to be submitted to the County Clerk to be opened and considered at a bid opening meeting. Purchasing department personnel said they do not enforce this policy and the County Auditor and County Commissioners approved these expenditures without the required bids or proposals.

Section 50.660, RSMo, addresses bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. In addition, soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the county to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

1.5 Contracts

We noted the following issues regarding contracts:

- The Juvenile Detention Center does not have written contracts with the 4 political subdivisions for which it houses juvenile detainees. During the year ended December 31, 2017, payments from these political subdivisions totaled approximately \$249,900.
- The county does not always enter into written contracts when required. Fifteen of the disbursements we reviewed required contracts; however, for 11 of them the county had not entered into a contract or did not have a current contract in place. For example, the county paid a law firm approximately \$89,700 during 2017, but the contract on file with this firm had not been updated since March 2007.

Section 432.070, RSMo, requires government contracts be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

1.6 Fuel use

The county lacks adequate procedures to account for fuel used by county departments and fuel purchases using credit cards. During the year ended December 31, 2017, fuel purchases totaled approximately \$376,100 for the



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Road and Bridge department and approximately \$141,500 for the Sheriff's office.

- Bulk fuel is stored in a fuel tank at the Road and Bridge department for use of all county vehicles, including the Sheriff's vehicles. This tank is metered and the Road and Bridge department maintains a computerized fuel system to track the date, time, mileage, and total fuel cost for all county vehicles. However, no one uses these records to reconcile fuel use with fuel purchases.
- The Sheriff's office does not have a procedure in place to ensure fuel purchases with credit cards are reasonable and necessary. Sheriff's office personnel purchased fuel with credit cards totaling \$4,045 during the year ended December 31, 2017. Of this amount, \$1,517 was fuel purchases within the county when fuel should have been obtained from the bulk tanks. The Sheriff should periodically review fuel usage for reasonableness and document his review.

Procedures for reconciling fuel use to fuel purchases are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected.

Recommendations

The County Commission:

- 1.1 Ensure procurements, disbursements, and reimbursements comply with the established purchasing manual and travel reimbursement policies. Ensure invoices are adequately reviewed by officials, require documentation of receipt of goods and/or services prior to payment of invoices, and maintain adequate supporting documentation for all disbursements. Solicit bids for cell phone services and develop policies and procedures to determine the most cost-effective method to provide this service to employees.
- 1.2 Work with the Sheriff and other county officials to establish written credit card policies and procedures, ensure compliance with county purchasing policies, and ensure credit card purchases are properly approved. In addition, the County Commission should ensure employees comply with the county's meal reimbursement policy and ensure meal reimbursements without overnight travel are properly reported on W-2 forms.
- 1.3 Work with the County Auditor and County Clerk to ensure access to the accounting and purchasing systems is limited to only what is needed for users to perform their job duties and responsibilities, and require employees maintain confidential passwords.



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- 1.4 Ensure bids and proposals are solicited for all applicable purchases of goods and services in accordance with state law. In addition, the County Commission should establish a policy to address the selection of professional services.
- 1.5 Enter into written agreements with vendors and political subdivisions as required by state law and ensure the contracts are periodically updated.
- 1.6 Ensure fuel logs are reviewed for accuracy and reconciled to fuel purchases. In addition, the Sheriff should periodically review fuel usage from credit card purchases for reasonableness and document his review.

Auditee's Response

The County Commission provided the following responses:

- 1.1 *The current software used to track and manage procurements and disbursements is 30 years old and incapable of managing everything necessary for all steps required. New software being installed during 2019 will have a comprehensive method of tracking and attaching all documentation with an entry that will allow sufficient review and approval for all purchases and expenses. In the meantime, we will work with county officials and department supervisors to ensure compliance with the established purchasing manual and travel reimbursement policies, invoices are properly reviewed, and adequate supporting documentation is maintained for all disbursements.*

Effective July 1, 2019, the county developed a cell phone policy for providing certain county offices cell phones and restricting/limiting employee reimbursement for using personal cell phones. In February 2019, the county entered into a 2-year contract with Verizon Wireless under the U.S. General Services Administration (GSA) IT Schedule 70 contract, a federal cooperative purchasing program that allows state and local governments to purchase IT products and services. The county plans to utilize the GSA cooperative purchasing program for all wireless services in the future.

- 1.2 *A new written credit card policy was developed by the County Commission in connection with all other elected officials. This policy was approved by the Commission and went into effect on July 1, 2019. The Sheriff developed his own credit card policy which was incorporated into the county policy. It is the intent that this new policy will alleviate the concerns expressed in the audit. In addition the County Auditor and the County Commission are writing a new*



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policy to address the addition of meal reimbursements without overnight travel to W-2 forms.

1.3 In the County Commission office no one shares passwords. In addition, commissioners only have access to the purchasing system and the accounting system areas necessary for them to perform their duties. We are currently working with the new system developer to ensure user access is adequately restricted. In addition, the new software system being installed includes tracked access to data input and retrieval. Training on the new software is to be implemented at the end of 2019 and into 2020. It is anticipated that this training will cover password confidentiality for all county employees.

1.4 Bids and proposals are generally solicited as required by state statute. In addition, an email was sent to all offices restating the need to comply with the state statutes on bidding procedures and was accompanied by a copy of all state statutes pertaining to bidding. The County Commission will work with the Purchasing department and the County Auditor to ensure compliance with statutory bidding requirements. We are developing an "agreement" process to ensure that bid acceptances are fully executed, signed, and documented with all documentation retained as required.

1.5 Intergovernmental agreements are typically done as required. The one that was noted as missing was the Juvenile Justice System. However, four requests were sent to this facility requesting intergovernmental agreements with all the counties concerned over a six month time period. No agreements were ever provided. New legal contracts were obtained with all law firms except one, which was requested 2 times and not received.

The county intends to obtain written agreements with vendors going forward. We will continue to work with all political subdivisions to obtain or update intergovernmental agreements and to obtain or update all contracts as required.

1.6 A new fuel policy was developed by the County Commission in connection with all other elected officials. This policy was approved by the County Commission and went into effect on July 1, 2019. The Sheriff developed his own additional fuel policy to coincide with his credit card policy. The Road and Bridge department has developed an extensive fuel policy to control and review use of the county bulk fuel tanks. A copy of this policy is available upon request. Each user has an individual identification number that must be utilized to obtain fuel. All documentation is required to be retained and submitted timely to the Road and Bridge department. The Road and Bridge



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department will submit all fuel usage reports to the County Auditor's office on a monthly basis for review.

The Sheriff provided the following responses:

- 1.2 A policy is being implemented for command staff to authorize and approve credit card purchases. For online purchases, the Purchasing department must approve items based on lowest cost. The Sheriff's office will no longer provide meals for employees on daily travel. The Sheriff's office will document reasons for any in-county meals for special purpose events, including names of attendees.*
- 1.6 A copy of the fuel charge statement will be given to the Sheriff for his review on a monthly basis.*

The County Auditor provided the following responses:

- 1.3 The County Auditor's office upon discovery of problems made immediate corrections on April 4, 2018. The County Auditor's office also educated its staff that sharing user identifications and passwords is not allowed.*
- 1.4 The County Auditor's office will develop internal control procedures to ensure compliance with federal and state laws and county policy for bids and contracts for purchases of goods and services. This will be done in conjunction with the development of our new financial software tentatively planned to be implemented by December 2019.*

2. Payroll Controls and Procedures

2.1 Personnel policies and procedures

Controls and procedures over payroll need improvement. The county paid personnel salaries and wages totaling approximately \$9.4 million during the year ended December 31, 2017.

County officials do not always follow personnel policies or update policies when related procedures change. As a result, the county may be providing more compensatory, vacation, and military leave compensation than required resulting in a greater financial burden. In addition, procedures to monitor leave balances are not sufficient.

- County and Sheriff's office policies regarding law enforcement compensatory time accruals and overtime pay do not match and actual compensation awarded is not consistent with either policy. The county's personnel policy provides for law enforcement personnel to accrue compensatory time or receive overtime pay for any time worked over 168 hours during a 28 consecutive day period. The Sheriff's office policy provides for traditional and non-traditional law enforcement personnel to accrue compensatory time or receive overtime pay for any hours worked



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over 168 and 160, respectively, in a 28-day period. The county currently awards compensatory time or overtime pay to traditional and non-traditional law enforcement personnel who work more than 84 and 80 hours, respectively, in a 14-day period.

- County employees were allowed to accrue vacation and compensatory leave in excess of the maximum allowed per county policy and military leave was paid out in excess of amount allowed per county policy. During our review of 10 employees' payroll records for the pay period ended February 10, 2018, we noted 5 employees' accrued vacation balances exceeded the maximum allowed by amounts ranging from 2.6 hours to 6.2 hours and 1 employee's accrued compensatory balance exceeded the maximum allowed by 89.5 hours. In addition, our review of 3 employees' military leave for the pay period ended March 10, 2018, noted military leave was paid at their regular hourly rate instead of the difference between their regular compensation and their military pay per county policy.
- Leave balances in the new payroll system are not accurate. In January 2018, the County Commission moved payroll duties from the County Clerk's office to the Human Resources (HR) office and contracted with a new payroll processing provider. Our comparison of beginning leave balances in the new system to ending leave balances in the County Clerk's payroll system identified discrepancies. We noted sick and vacation leave balances for 6 employees were not carried over to the new system. In addition, we noted compensatory time balances within the new system for 59 employees differed from the County Clerk's payroll system balances. The HR Director indicated she did not use balances from the County Clerk's payroll system, but instead used balances from the various departments' tracking systems. We compared balances from the departments' tracking systems to the new system and noted 6 employees' compensatory time balances were short by 2 hours to 24 hours and 3 employees' compensatory time balances were high by 3 to 60 hours. The HR Director could not provide explanations for these discrepancies or documentation to demonstrate the correct beginning leave balances were entered into the new system.

Personnel policies should be updated to provide guidance to county employees, provide a basis for proper compensation, and avoid misunderstandings. By not following county policies, the county may be paying more overtime, compensatory time, and military compensation than required resulting in a greater financial burden. In addition, without adequate leave records, the county cannot ensure leave earned and taken by employees is properly documented. Leave records also aid in determining final compensation for employees leaving county employment.



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2.2 Segregation of duties

The County Commission has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. The HR Benefits Coordinator electronically submits the payroll expenditures to the county's contracted payroll provider. Provider personnel automatically withdraw payroll expenses from the county's bank account without any independent review. Because the HR department is responsible for entering approved pay rates and establishing/maintaining personnel records for county employees, HR personnel should not have access to or be responsible for entering payroll data and processing paychecks.

Proper segregation of duties is necessary to ensure payroll transactions are appropriate and accounted for properly. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed payroll records are essential. In addition, Section 55.160, RSMo, states no warrant shall be drawn or obligation incurred without the auditor's certification that an unencumbered balance, sufficient to pay the same, remain in the appropriate account or in the anticipated revenue fund against which such warrant or obligation is to be charged.

2.3 Approved pay rates

The County Clerk did not maintain documentation of approved pay rates and any changes to pay rates in employee personnel files. Documentation of approved pay rates, signed by the respective official, should be maintained for all county employees. Without documentation of approved pay rates, there is less assurance payments to employees are properly authorized.

Recommendations

The County Commission:

- 2.1 Review and update personnel policies, as necessary, and ensure compliance with the policies. In addition, the County Commission should ensure employee leave balances are properly tracked and monitored.
- 2.2 Segregate payroll duties or ensure documented supervisory reviews of detailed payroll records are performed. In addition, the County Auditor should review payroll expenses prior to disbursement as required by state law.
- 2.3 Ensure documented approvals of pay rates for all county employees are maintained.

Auditee's Response

The County Commission provided the following responses:

- 2.1 *The County Commission has reviewed personnel policies and has made changes to the handbook as needed and this process will continue. In addition, the County Commission and the County Auditor will be working together to develop a new policy to address*



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compliance issues. Leave balances are tracked in payroll. The new software being installed at this time includes a payroll module that will automatically track leave time. It will then be reviewed by the Payroll Clerk and then sent to the County Auditor for final review and confirmation.

- 2.2 *Pursuant to the state audit, all payroll is sent to the County Auditor's office for approval before it is sent to the payroll processor. Additionally, the HR Director and the HR Benefits Coordinator (Payroll Clerk) now perform separate functions. The HR Director will not process payroll in any form. The HR Director and the HR Benefits Coordinator will still work together to manage benefits and insurance, however they will both have separate jobs and responsibilities. The HR Director inputs new employees into the payroll system, manages personnel files, manages insurance, handles leaving employees, and employs best practices for Human Resources. The HR Benefits Coordinator handles benefits and handles payroll functions with a 3rd party payroll processor.*

In addition, the new software that is being implemented by the county will include a payroll module which should make the separation easy and distinct. This system will continue to allow the County Auditor to review payroll before it is processed by the HR Benefits Coordinator. It should also give a better audit trail for all portions of the payroll function. This software is anticipated to "go live" with the payroll module sometime in September or October 2019.

- 2.3 *All approved pay rates are now being retained in each employee file including any raises that are given.*

The County Auditor provided the following response:

- 2.2 *Complying currently in a limited capacity that is extremely labor intensive with authorization control and tracking in a manual form. Upon implementation of a new financial software system, tentatively by December 2019, the county will comply with Section 55.160, RSMo, by developing digital controls of authorization, including an audit trail for tracking.*

3. Sunshine Law

The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement.

3.1 Records requests

The County Clerk does not maintain a log of public record requests to ensure all requests are handled in compliance with state law. While the County Clerk indicated there were requests for records, neither the County Clerk nor the contracted legal counsel for responding to Sunshine Law requests maintain a



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log or other record of public records requests to ensure all requests are handled in compliance with the Sunshine Law.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received. To ensure compliance with state law, the county should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

3.2 Public access policy

The county's written policy regarding public access to county records is not adequate. The policy, effective March 28, 2017, does not identify a person to contact, provide an address to mail such requests, or establish fees that may be assessed for providing copies of public records. A written policy regarding public access to county records should establish guidelines for the county to make records available to the public.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the county to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

3.3 Meeting minutes

The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and posted to the county's website. Minutes were not available for 12 of 113 possible open meetings and 4 of the 14 closed meetings held during the year ended December 31, 2017. For 5 of the 12 open meetings with no minutes, the County Commission indicated no meetings were held. Our review of the related agendas and subsequent meeting minutes gave the appearance that meetings occurred. The agendas stated "No Official Business Requiring Voting Action" and did not clearly indicate that no meetings took place. Subsequent meeting minutes showed the County Commission took action regarding minutes for 2 of the 5 meetings, with the minutes approved for one meeting and the approval tabled for the other meeting.

In addition, for the majority of the available minutes, the preparer and the County Commission had not signed them and minutes for several open meetings were not approved timely. For example, minutes of the June 20, 2017, meeting were not approved until August 15, 2017. In addition, minutes for 25 open meetings were not posted to the county's website, which is the county's procedure.



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The County Commissioners voted to change the responsibility for preparing meeting minutes from the County Clerk to the HR Benefits Coordinator on March 23, 2017. The HR Benefits Coordinator does not always prepare meeting minutes timely and present them to the County Commission for review and approval. Once the minutes have been approved, the HR Benefits Coordinator submits them to the County Clerk's office to file and the Information Technology department to post online.

Section 610.020.7, RSMo, requires minutes of open and closed meetings be maintained as a record of business conducted and to provide an official record of actions and decisions. The meeting minutes should be signed by the preparer and subsequently approved by the County Commission to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings. Section 610.023.2, RSMo, requires the county make records available to the public for inspection and copying. Without timely County Commission approval of meeting minutes, the public records of open County Commission meetings cannot be made available to the public within a reasonable time period.

3.4 Redactions

Some redactions made to documents do not appear appropriate. The County Commission redacted information on legal bills prior to sending them to the Accounts Payable department for payment and the Custodian of Records to maintain as public records. We obtained original legal bills (unredacted) and compared them to the redacted copies. Based on our review, some of the information redacted was not confidential. Also, internal redactions of information that is not confidential from invoices submitted to the Accounts Payable department lessens the ability to perform adequate reviews and ensure the validity and appropriateness of billings.

Legal bills generally do not constitute privileged communications or a basis to close records under the Sunshine Law. Redacting non-confidential information from legal bills violates Section 610.023.2, RSMo, requiring county records to be made available for inspection and copying.

Recommendations

The County Commission:

- 3.1 Maintain a public request log to help ensure compliance with state law.
- 3.2 Update the written public access policy regarding procedures to obtain access to, or copies of, public records.
- 3.3 Ensure meeting minutes are prepared, approved timely, and maintained for all open and closed session meetings. Also ensure meeting minutes are signed by the preparer and the County Commission.



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- 3.4 Ensure redactions to county documents are appropriate and in compliance with the Sunshine Law.

Auditee's Response

The County Commission provided the following responses:

3.1 &

3.2 *The County Commission will comply with the state statute in regards to the Sunshine Law. The county has a Sunshine Law attorney who responds to requests. An amended Sunshine Law policy will be developed that complies with state statute. The County Clerk has stated that his office will retain a log of requests and documentation provided to the requestor.*

3.3 *The County Commission will ensure meeting minutes are prepared, approved timely, and maintained for all open and closed session meetings. We will have all minutes signed by the preparer and the County Commission.*

3.4 *The County Commission will ensure that redactions to county documents are appropriate and are in compliance with the Sunshine Law.*

The County Clerk provided the following response:

3.1 *Although a "log" was not maintained prior to the audit, each written request was "noted" with the date received, date fulfilled, fee charged, and a copy of what was provided was attached (unless it was too large). At the recommendation of the auditors, a "log" has now been created and is being used to record all pertinent Sunshine Law request information.*

4. Salary Commission

The Camden County Salary Commission has not met since 2005, yet the salaries of some elected officials increased starting in 2006. The Salary Commission last met in November 2005 and established future salaries based on the county's assessed valuation.

Section 50.333.7, RSMo, states the Salary Commission shall meet at least once before November 30th of each odd-numbered year for the purpose of determining the amount of compensation to be paid for the next term of office for each county officer to be elected in the next general election. Section 50.333.9, RSMo, states the current compensation of each affected office or officer shall continue to be paid if the Salary Commission fails to meet or reach agreement. Salaries represent a significant disbursement for the county and, as a result, it is essential the Salary Commission meet regularly as required and document decisions.



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Recommendation

The County Commission ensure the Salary Commission meets at least once prior to November 30th of each odd numbered year as required by state law.

Auditee's Response

The Salary Commission met on November 7, 2018, for a training session and on November 14, 2018, for a voting session. Minutes and agendas are available on request. The Salary Commission will continue to meet on a regular basis in compliance with state law.

5. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed inmate monies, paper service fees, concealed carry weapon (CCW) permit fees, bonds, and other miscellaneous receipts totaling approximately \$778,200 during the year ended December 31, 2017.

5.1 Receipts and deposits

Procedures for receipting, recording, depositing, and reconciling payments need improvement.

- Sheriff's office staff issue generic unnumbered bond forms and do not issue receipt slips for bonds received. As a result, neither the Sheriff's Administrative Assistant nor the Sheriff can account for all bonds received and ensure bond monies are handled properly. The Sheriff's office collected approximately \$702,400 in cash bonds during the year ended December 31, 2017.
- Sheriff's office staff do not issue receipt slips for garnishment fees and receipt slips are not always issued for civil fees. Our review of May 2017 records for civil fees identified checks and cash totaling \$3,179 and \$10, respectively, that were deposited but not receipted. The Sheriff's Administrative Assistant stated office personnel only issue receipt slips for check payments if the payor requests a receipt.
- The Sheriff's Administrative Assistant does not account for the numerical sequence of receipt slips or CCW permit numbers. As a result, there is no assurance all monies received are deposited and the composition of receipts is not reconciled to the composition of deposits.
- Monies received from the sale of deputies' firearms that are being replaced are not receipted or transmitted timely. For example, \$1,500 (cash) received from the sale of firearms in December 2017, was originally transmitted to the County Treasurer on December 19, 2017; however the Sheriff's office requested the money back that same day and did not transmit it again until January 3, 2018.

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



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5.2 Liabilities

The Detention Administrative Assistant does not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance. At our request, a list of liabilities was prepared for the inmate account. Identified liabilities totaled \$22,894 at December 31, 2017. The reconciled bank balance was \$23,589, resulting in an unidentified balance of \$695.

Monthly lists of liabilities should be prepared and 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.

5.3 Outstanding checks

The Sheriff has not established procedures to routinely follow up on outstanding checks for the inmate account. As of December 31, 2017, 238 checks written to former inmates totaling \$889 had been outstanding for more than a year, with 61 checks dating back to 2010.

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.

5.4 Inactive inmate account balances

The Sheriff's office does not have adequate procedures to ensure all inmate monies are refunded upon release. As of December 31, 2017, the Sheriff's office was holding \$7,780 for 478 former inmates in the inmate account.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to former inmates or as otherwise provided by state law. In addition, establishing procedures to refund all inmate monies upon release will allow the Sheriff to more adequately safeguard any monies being held and reduce the risk of loss, theft, or misuse of funds.

5.5 E-cigarettes

The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts. E-cigarettes receipts indicate sales to inmates totaled approximately \$17,500 or 1,750 e-cigarettes for the year ended December 31, 2017. As a result, records and procedures are not sufficient to account for e-cigarettes or monies collected, and loss, theft, or misuse may go undetected.

Adequate inventory records are necessary to account for e-cigarettes. Comparisons of e-cigarette purchases and sales to inventory records are necessary to ensure the e-cigarettes and associated monies are properly recorded and handled.

5.6 Sales tax

The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue



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(DOR). 12 CSR 10-110.955(3)(B) provides that sales by the state of Missouri and its political subdivisions are subject to tax. Therefore, office personnel should be charging and collecting sales tax and remitting tax collections to the DOR.

Recommendations

The Sheriff:

- 5.1 Issue prenumbered receipt slips for all monies received, account for the numerical sequence of receipt slips, and reconcile the composition of receipts to the composition of deposits and transmittals. The Sheriff should also transmit monies timely and intact.
- 5.2 Prepare monthly lists 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.
- 5.3 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.
- 5.4 Refund all inmate monies to inmates upon release. In addition, the Sheriff should attempt to resolve unclaimed balances of inactive inmate accounts. If the payee cannot be located, the amount should be disbursed in accordance with state law.
- 5.5 Maintain accurate inventory records of e-cigarettes, reconcile these records to e-cigarettes purchased and sold, and perform periodic physical inventory counts.
- 5.6 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on e-cigarette sales and ensure all future sales tax collections are remitted to the DOR.

Auditee's Response

- 5.1 *The Corrections Supervisor is having staff complete sequentially numbered cash receipt slips for bond receipts. One copy will accompany the bond sheet, one copy is for the inmate, and one copy stays in book. This is a temporary process until we figure out and obtain sequentially numbered bond forms.*

We began issuing receipt slips for all civil fee and garnishment fee transactions at the auditor's request in early 2018. The Administrative Assistant will be reviewing and initialing all receipts to match up civil paperwork.



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We began issuing sequentially numbered receipt slips for CCW permits at the auditor's request in early 2018.

We will account for the numerical sequence of receipt slips, compare the composition of receipt slips to the composition of deposits and transmittals, and transmit monies timely and intact.

5.2 *I have had an electronic report of liabilities made that will be run and used when doing the bank reconciliations every month. We will also investigate and resolve any differences monthly. Any unidentified monies will be disposed of per state law.*

5.3 *I have established procedures to periodically follow up on outstanding checks. We are reissuing checks to payees that can be located. For payees that cannot be located, the monies are turned over to the state's unclaimed property fund. Over \$600 in outstanding check money was sent off last year to the Missouri State Treasurer's office. We are currently waiting on certified letters to come back and will be sending off the rest of the unclaimed money that is still in former inmate accounts. Once the letters are returned, that money will go to the Missouri State Treasurer's office.*

5.4 *We are currently refunding monies to inmates upon their release. As discussed in our response to 5.3, we are working to resolve unclaimed balances in former inmate accounts and sending all unclaimed funds to the state.*

5.5 *We are making a report that will tell how many e-cigarettes are sold each month. Corrections officers are now keeping track of how many e-cigarettes are ordered and on hand versus how many are sold to verify inventory, including damaged inventory.*

5.6 *We are currently working with the County Clerk's office to (1) set up an account with the DOR to pay the sales tax on e-cigarette sales, (2) determine what account that these fees will go through in the County Clerk's office, and (3) send in quarterly payments.*

6. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected bad check restitution and fees, court-ordered restitution and fees, and delinquent tax fees totaling approximately \$209,200 during the year ended December 31, 2017.

6.1 Bank reconciliations and liabilities

The Prosecuting Attorney's clerk did not prepare adequate bank reconciliations. In addition, a monthly list of liabilities is not prepared to reconcile to the account balance. The clerk's reconciliation process includes



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documenting the transactions that have cleared the bank; however, a report of outstanding checks, deposits in transit, and other reconciling items is not prepared or reviewed. As of December 31, 2017, the bank balance was \$26,489, which is less than the total outstanding checks of \$26,946 documented in the Prosecuting Attorney's records. Thus, the account is showing a shortage of \$457.

Performing adequate monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular 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.

6.2 Deposits

Receipts are not always deposited timely and prior to disbursement. Monies received from November 9 to November 14, 2017, totaling \$6,771, were not deposited until November 22, 2017, and monies received from December 6 to December 8, 2017, totaling \$516, were not deposited until December 18, 2017. In addition, monies are sometimes disbursed prior to deposit of the corresponding receipts. For example, the Prosecuting Attorney issued checks totaling \$6,461 to victims on November 16, 2017, and \$516 on December 8, 2017. The deposits of the corresponding receipts were not made until November 22, 2017, and December 18, 2017. Old outstanding checks (see section 6.3) prevented the bank account from being overdrawn.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made timely and monies should not be disbursed prior to deposit of corresponding receipts.

6.3 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the restitution account. As of December 31, 2017, 168 checks totaling \$16,583 had been outstanding for over a year, with some checks dating back to 2003.

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.

Recommendations

The Prosecuting Attorney:

- 6.1 Ensure adequate monthly bank reconciliations are prepared that include lists of outstanding checks, deposits in transit, and other reconciling items. In addition, prepare a list of liabilities and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.



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- 6.2 Ensure all monies are deposited timely and prior to related disbursements.
- 6.3 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.

Auditee's Response

- 6.1 *Additional procedures have been implemented in reconciling the bank statements. The account shortage has been corrected and brought current. Old checks that were not cashed were either submitted to the state treasury as unclaimed property or the payee was contacted and a new check issued. The monthly reconciliation is performed on the bank form as suggested. The Quicken accounting program has been added to account for all deposits and checks issued. This is an extra step to assure accuracy. A second reconciliation is performed using the Quicken program.*
- 6.2 *Deposits are taken to the bank a minimum of twice a week. Checks are not mailed out until deposit has been made.*
- 6.3 *Payees are contacted for current checks that are not being cashed in a timely manner. A new check is issued if it has been lost or if check is older than 2 months. A stop payment is placed on the old check with the bank. If a check is returned because of a bad address, it is researched to locate the possible most current address.*

7. Wastewater Department's Controls and Procedures

Controls and procedures in the Wastewater Department need improvement. The department collects monies for wastewater permit fees, installer/contractor registration fees, and sales of tracing dye, and transmitted \$44,785 to the County Treasurer during the year ended December 31, 2017.

7.1 Segregation of duties

The County Commission and Wastewater Supervisor have not adequately segregated accounting duties and do not perform documented supervisory reviews of detailed accounting and transmittal records. The Clerical Staff/Field Inspector/Nuisance Officer, the department's only clerical employee, receives, records, and transmits monies to the County Treasurer.

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 transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting



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records are essential and should include comparing daily receipt activity to transmittals.

7.2 Receipting, recording, and transmitting

Procedures for receipting, recording, and transmitting monies are not adequate.

- The wastewater department does not issue receipt slips for all monies received, account for the numerical sequence of receipt slips, or restrictively endorse checks and money orders upon receipt. During a January 25, 2018, cash count we identified 10 checks, totaling \$1,350, for permit application fees that were not receipted or restrictively endorsed. Department clerical staff indicated they only issue receipt slips for cash payments and upon customer request. The restrictive endorsement is applied by the County Treasurer following transmittal.
- Monies are not transmitted timely and intact. Department personnel indicated they hold receipts and do not transmit them to the County Treasurer for deposit until the related permit applications are approved. Our review of receipt and transmittal records for permit applications approved and permits issued in February 2017 identified a \$150 check received for permit application number 6145 on December 19, 2016, had not been transmitted to the County Treasurer for deposit until after our inquiry in March 2018. This check was located in a folder along with the application. We also noted \$150 in cash received on February 21, 2017, for permit number 6147 approved February 23, 2017, was not transmitted to the County Treasurer until March 9, 2017, while a \$150 check received on February 24, 2017, for permit number 6149 approved February 28, 2017, was included in the March 3, 2017, transmittal.

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

Recommendations

The County Commission work with the Wastewater Supervisor to:

- 7.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and transmittal records are performed.
- 7.2 Ensure prenumbered receipt slips are issued for all monies received, restrictively endorse checks and money orders upon receipt, and ensure receipts are transmitted intact and timely. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of transmittals.



Auditee's Response

- 7.1 *Duties have now been segregated so that all transactions are performed by one individual and a documented review is done by a second individual.*
- 7.2 *All monies are now receipted into a 3-part prenumbered receipt book. A copy is issued to the customer, one kept in the application file, and one is kept with the transmittal. We now have a "For Deposit Only" stamp and all checks and money orders are stamped when received. All money is forwarded to the County Treasurer's office on a weekly basis, Fridays. Refunds must be requested through the purchase order process. It is then taken from the revenue line it was originally deposited into. We will also account for the numerical sequence of receipt slips issued and reconcile the composition of receipt to the composition of transmittals.*

8. Planning and Zoning Department's Controls and Procedures

The Planning and Zoning department has not established proper controls or procedures for receipting and transmitting monies. The department collected permit, subdivision, and application fees, and other miscellaneous receipts totaling approximately \$74,500 during the year ended December 31, 2017.

Our review of monies received during December 2017 identified various concerns.

- Monies are not transmitted to the County Treasurer intact or timely, and the department does not account for the numerical sequence of manual receipt slips. For example, \$1,000 received on December 11 and 12, 2017, was held and not transmitted until January 1, 2018. This money was not transmitted although other money received from December 6 to December 13, 2017, totaling \$2,025, was transmitted on December 18, 2017.
- Checks and money orders are not restrictively endorsed when received. The restrictive endorsement is applied by the County Treasurer following transmittal.

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

Recommendation

The County Commission work with the Planning and Zoning department to ensure receipts are transmitted intact and timely, and checks and money orders are restrictively endorsed upon receipt. In addition, the department should account for the numerical sequence of receipt slips issued.

Auditee's Response

All money is now forwarded to the County Treasurer's office on a weekly basis, Fridays. We now have a "For Deposit Only" stamp and all checks and



money orders are stamped when received. We will also account for the numerical sequence of receipt slips issued.

9. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 68 wards and estates during the year ending December 31, 2017.

9.1 Annual settlements

The Public Administrator does not always file annual settlements timely. We reviewed 8 active cases and determined 3 cases did not have annual settlements filed timely. These settlements were filed from 26 to 82 days after the due date. The Public Administrator records the due dates for the annual settlements in her case management software. In addition, the Circuit Court, Probate Division Clerk sends a notice to the Public Administrator when the annual settlement is due. Despite these procedures, annual settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that loss, theft, or misuse of funds will occur and go undetected.

9.2 Bank reconciliations

Public Administrator staff do not prepare bank reconciliations timely. They typically perform reconciliations as time allows. We reviewed 8 active cases, and noted 2 to 4 months of bank reconciliations were performed at one time for each ward. For example, one ward's bank reconciliations for the months of January through April 2017 were not completed until June 13, 2017. Performing bank reconciliations on a monthly basis helps ensure records are accurate and increases the likelihood errors will be identified and corrected timely.

Recommendations

The Public Administrator:

- 9.1 Ensure annual settlements are filed timely.
- 9.2 Perform bank reconciliations monthly. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

- 9.1 *My office will work with the Probate Clerk and Judge to file our settlements in a more timely manner.*



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9.2 *My office has changed our procedure of processing and reconciling our monthly bank statements to ensure they are done in a timely order.*

10. County Clerk's Controls and Procedures

Controls and procedures in the County Clerk's office need improvement. The County Clerk's office collected approximately \$96,300 for liquor licenses, notary fees, and other miscellaneous fees during the year ended December 31, 2017.

10.1 Segregation of duties

The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The Chief Deputy receives, records, and transmits monies for sunshine law and voter list requests, and two other deputies receive, record, and transmit monies for liquor and auctioneer licenses and notary and map fees. The County Clerk reviews and signs the main transmittal report for notaries, auctioneer, and map fees; however, he does not review detailed accounting records to ensure monies received for sunshine law and voter list requests and liquor licenses are properly recorded and transmitted to the County Treasurer.

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 transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals.

10.2 Receipting and transmitting

The County Clerk has not established proper procedures for receipting and transmitting monies.

- Receipt slips are not issued for all monies collected and a comprehensive log of receipts is not maintained. The County Clerk issues receipt slips for notary and map fees, and records receipts for sunshine law and voter list requests and auctioneer and liquor licenses on printed forms that are not numbered.
- The method of payment (cash or check) is not always indicated or accurately recorded on receipt records. During our January 25, 2018, cash count we noted 2 receipt slips totaling \$6 did not indicate the method of payment and 2 checks totaling \$53 were improperly recorded as cash.
- The County Clerk does not transmit all fees timely and intact to the County Treasurer. Liquor license receipts collected from September 20 to October 18, 2017, totaling \$270 (\$260 cash and \$10 check), were still



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on hand at the time of our cash count on January 25, 2018. These fees were transmitted to the County Treasurer on January 30, 2018.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, Section 51.280, RSMo, requires the clerk to prepare and issue all county licenses established by law, and collect the county fees therefor and remit the same to the county treasury.

Recommendations

The County Clerk:

- 10.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and transmittal records are performed and documented.
- 10.2 Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and transmit receipts intact and timely. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

- 10.1 *Concerning liquor license receiving, a detailed spreadsheet has always been maintained. However, at the recommendation of the auditors, the receipt number has been added to the spreadsheet; and the County Clerk compares receipts to transmittals before approving for release to the County Treasurer.*
- 10.2 *At the recommendation of the auditors, new numbered receipt books (3 copy) are now being used to record all payments made and the method of payment, business name, and liquor license number is noted on each receipt slip. The clerk taking the payment signs the receipt slip and the County Clerk signs the license. The customer is given the white copy with their license. All payment information is added to the spreadsheet daily. At the end of each week, all checks and cash totals are matched to the spreadsheet and the yellow copy of the receipt slips are attached. The County Clerk signs and dates his verification of the spreadsheet which goes to the County Auditor and a copy goes to the County Treasurer with the money. A copy of the spreadsheet is kept with the pink copies of the receipts. New policies have been put into place to assure timely transmittal of funds.*

11. Recorder of Deeds' Controls and Procedures

Controls and procedures in the Recorder of Deeds' office need improvement. The office collected approximately \$763,000 for recording documents, such as marriage licenses and deeds, and other miscellaneous receipts during the year ended December 31, 2017.



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11.1 Segregation of duties The Recorder of Deeds has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting and bank records. The Chief Deputy is primarily responsible for receiving, recording, and depositing monies. The Recorder of Deeds does not review accounting records to ensure monies received are properly recorded and deposited.

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 monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to deposits.

11.2 Bank reconciliations The Recorder of Deeds did not prepare adequate bank reconciliations for January through November 2017. The reconciliation process included documenting the deposit and disbursement transactions for the month and ensuring the total deposits equaled the total disbursements. However, lists of outstanding checks, deposits in transit, or other reconciling items were not prepared or reviewed.

Performing adequate monthly bank reconciliations helps ensure records are accurate and increases the likelihood errors will be identified.

11.3 Deposits The Recorder of Deeds does not make deposits timely. For example, monies totaling \$19,177 received from December 1 through 13, 2017, were deposited on December 14, 2017. In addition, monies totaling \$10,408 received from December 14 to December 20, 2017, were deposited on December 21, 2017.

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

Recommendations

The Recorder of Deeds:

11.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

11.2 Ensure adequate monthly bank reconciliations are prepared that include lists of outstanding checks, deposits in transit, and other reconciling items. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

11.3 Ensure monies received are deposited timely.



Auditee's Response

- 11.1 *Effective June 18, 2019, I implemented written policies and procedures to segregate receipting and depositing duties. Also, there will be at least one additional employee performing documented reviews of detailed accounting and bank records.*
- 11.2 *During 2018, my office began using an accounting software program to prepare and generate monthly bank reconciliations which include lists of outstanding checks, deposits in transit, and other reconciling items. Any differences identified are promptly investigated and resolved. Effective June 18, 2019, I implemented written policies and procedures to ensure monthly bank reconciliations are reviewed by at least one additional employee and delivered to the County Auditor for review.*
- 11.3 *Effective June 18, 2019, I implemented written policies and procedures to ensure each day's receipts are deposited the next business day.*

12. GIS Department's Controls and Procedures

Controls and procedures in the Geographic Information System (GIS) department need improvement. The department collected approximately \$2,900 for printed and digital map fees during the year ended December 31, 2017.

12.1 Segregation of duties

The County Commission has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The GIS Coordinator receives, records, and transmits monies to the County Treasurer. The County Commission does not review accounting records to ensure monies received have been properly recorded and transmitted.

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 transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals.

12.2 Receipting and recording

The GIS department has not established proper controls or procedures for receipting and recording monies.

- Prenumbered receipt slips are not issued for monies collected and the method of payment (cash or check) is not recorded. The GIS Coordinator creates invoices on her computer, manually assigns a number to each invoice, and uses these as receipt slips. During our review of invoices



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created for year ended December 31, 2017, we noted the GIS Coordinator created 32 invoices of which 1 invoice number was used twice. In addition, we noted only 5 of 28 paid invoices identified the composition of the monies received.

- Checks and money orders are not restrictively endorsed when received. The restrictive endorsement is applied by the County Treasurer after transmittal.

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

Recommendations

The County Commission work with the GIS department to:

- 12.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and transmittal records are performed.
- 12.2 Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and restrictively endorse checks and money orders upon receipt. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

The County Assessor provided the following responses:

12.1 &

12.2 On October 1, 2018, the GIS department began operations under the direction of the County Assessor's office. Upon meeting with the State Auditor's Office personnel on June 19, 2019, and discussing the recommendations, the following procedures will be implemented:

We have ordered new order/receipt forms containing sequential numbers, the fund account number for the GIS department, and space to record the date payment was received. The new forms will also contain information regarding the method of payment, whether it is in the form of check, money order, or cashier's check, as no cash will be received through this office. The GIS Coordinator will indicate when paid, the method of payment, initial the form, and endorse said check or money order immediately. A copy of the order/receipt form will be given to the customer at that time along with the product. The endorsed check will be taken to the County Treasurer's Office along with said order/receipt form on a daily basis, or when it is feasible. The County Treasurer's office will sign that payment was received



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and keep the original order/receipt form; another copy will be kept by the GIS department containing signature of the County Treasurer.

The GIS Coordinator will further keep a detailed ledger of all transactions for any invoiced data, containing, but not limited to, the invoice/receipt number, date, method of payment, and the fund account number for the GIS department. On a monthly basis, the ledger will be reviewed by the County Assessor, then dated and signed once verified with the County Auditor's office. This monthly review will include accounting for the numerical sequence of the order/receipt forms and reconciling them to the transmittal records.

13. Senior Board's Depositing Procedures

The Senior Citizens' Services Tax Fund Board does not always deposit receipts timely. The Board received property taxes totaling approximately \$888,080 during the year ended December 31, 2017.

During November 2017, the County Treasurer disbursed property taxes collected in October totaling \$4,292 to the Board; however these monies were never deposited into the Board's bank account. At our request, the County Treasurer investigated this check and determined it remained outstanding as of March 21, 2018. The County Treasurer stopped payment on this check and reissued it. The Board's Treasurer indicated he had misplaced the check.

To safeguard receipts and reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are deposited timely.

Recommendation

The Senior Citizens' Services Tax Fund Board establish procedures to ensure all monies received are deposited timely.

Auditee's Response

The County Treasurer will email each Senior Citizens' Services Tax Fund Board member when a check is issued by the Treasurer for the Board. The checks will then be reconciled against the bank statement during each Board meeting. Furthermore, once the county is able to make direct deposits to the Board's bank account, the County Treasurer will continue to send an email to each Board member in the event of an electronic glitch when making a direct deposit to the Board's bank account to make certain no funds go astray.

Camden County

Organization and Statistical Information

Camden County is a county-organized, first-class county. The county seat is Camden.

Camden 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 291 full-time employees and 5 part-time employees on December 31, 2017.

In addition, county operations include the Senior Citizens' Services Tax Fund Board and the Senate Bill 40 Board.

Elected Officials

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

Officeholder	2018	2017
Greg Hasty, Presiding Commissioner	\$	61,000
Beverly Thomas, Associate Commissioner		59,000
Don Williams, Associate Commissioner		59,000
Jimmy Laughlin, County Auditor (1)		32,813
Ronald Capps, County Auditor (1)		28,125
Donnie Snelling, Recorder of Deeds		61,000
Rowland A. Todd, County Clerk		61,000
Michael J. Gilley, Prosecuting Attorney		138,459
Tony Helms, Sheriff		64,000
Elaine Gilley, County Treasurer		61,000
Nancy A. Douglas, Public Administrator		61,000
Teresa Murray, County Collector (2), year ended February 28,	44,531	
Vicky Burns, County Collector (2), year ended February 28,	16,406	
Kayla Henry, County Assessor, year ended August 31,		61,002

- (1) Ronald Capps resigned as County Auditor effective May 5, 2017. Jimmy Laughlin was appointed by the Governor and sworn into office on June 12, 2017.
- (2) Vicky Burns resigned as County Collector effective May 31, 2017. Teresa Murray was appointed by the Governor and sworn into office on June 12, 2017.