

BUCHANAN COUNTY, MISSOURI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND INDEPENDENT AUDITORS' REPORTS AS REQUIRED
BY *GOVERNMENT AUDITING STANDARDS* AND
UNIFORM GRANT GUIDANCE**

YEAR ENDED DECEMBER 31, 2021



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Buchanan County Commission
Buchanan County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buchanan County, Missouri (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 22, 2022. Our report contains a qualified opinion on the aggregate discretely presented component units; and unmodified opinions on the governmental activities, each major fund and the aggregate remaining fund information. Buchanan County Tourism Board and Regional Emergency Medical Services Authority, included in the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Buchanan County, Missouri's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buchanan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Buchanan County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-002, 2021-003 and 2021-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Buchanan County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Buchanan County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Buchanan County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

St. Joseph, Missouri
September 22, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Buchanan County Commission
Buchanan County, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Buchanan County, Missouri's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Buchanan County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Buchanan County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Buchanan County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Buchanan County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Buchanan County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Buchanan County, Missouri's compliance with each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Buchanan County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Buchanan County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Buchanan County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-007. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Buchanan County, Missouri's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Buchanan County, Missouri's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance Section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompany schedule of findings and questioned costs as item 2021-005 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-006 and 2021-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Buchanan County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Buchanan County, Missouri's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Buchanan County, Missouri's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Buchanan County Commission
Buchanan County, Missouri

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of Buchanan County, Missouri, (the County) as of and for the year ended December 31, 2021 and have issued our report thereon dated September 22, 2022, which contained a qualified opinion on the aggregate discretely presented component unit; and unmodified opinions on the governmental activities, each major fund and the aggregate remaining fund information. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Joseph, Missouri
September 22, 2022

BUCHANAN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct Program:				
Equitable Sharing Program	16.922	Not Applicable	\$ 36,909	\$ -
Passed through the Missouri Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019- MU- BX- 0110- 004	124,730	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020- MU- BX- 0059	162,203	-
Total Edward Byrne Memorial Justice Assistance Grant Program			286,933	-
Passed through Missouri Prosecuting Attorneys Association:				
Crime Victim Assistance	16.575	MAPABuchanan 19- 21	54,601	-
Crime Victim Assistance	16.575	ER130200072	29,109	-
Total Crime Victim Assistance Program			83,710	-
Total U.S. Department of Justice			407,552	-
U.S. Department of Transportation				
National Highway Cluster				
Passed through the Missouri Department of Transportation:				
State and Community Highway Safety	20.600	21-PT-02-003	28,815	-
Total State and Community Highway Safety Program			28,815	-
Passed through the Central Missouri State University:				
National Priority Safety Program	20.616	21-M2HVE-04-034	118	-
Total National Highway Cluster			28,933	-
Passed through the Central Missouri State University:				
Alcohol Open Container Requirements	20.607	21-154-AL-037	334	-
Highway Planning and Construction Cluster				
Passed through the Missouri Department of Transportation:				
Highway Planning and Construction (Total 20.205 \$1,156,042)	20.205	BRO-B011(31)	387,397	-
Highway Planning and Construction (Total 20.205 \$1,156,042)	20.205	BRO-B011(32)	434,358	-
Highway Planning and Construction (Total 20.205 \$1,156,042)	20.205	BRO-B011(33)	334,287	-
Total Highway Planning and Construction Cluster			1,156,042	-
Total U.S. Department of Transportation			1,185,309	-
U.S. Department of Health and Human Services				
Passed through the Missouri Department of Social Services:				
Child Support Enforcement IV- D	93.563	ER10220A002	1,129,204	-
State Court Improvement Program	93.586	21-01167-05	710	-
Total U.S. Department of Health and Human Services			1,129,914	-
U.S. Department of Homeland Security				
Passed through the Missouri Department of Public Safety:				
Emergency Management Performance Grant	97.042	EMK-2021-EP-00006-15	29,020	-
Disaster Grants - Public Assistance	97.036	FEMA-4451-DR-MO	9,030	-
Total U.S. Department of Homeland Security			38,050	-
U.S. Department of Treasury				
Direct Program:				
Equitable Sharing	21.016	N/A	62,036	-
COVID- 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	641,898	-
Passed through the Missouri State Treasurer:				
COVID- 19 Relief Fund	21.019	00257	706,387	-
Total U.S. Department of Treasury			1,410,321	-
Total Expenditures of Federal Awards			<u>\$ 4,171,146</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

BUCHANAN COUNTY, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1 REPORTING ENTITY

Buchanan County, Missouri, (the County) is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of expenditures of federal awards (the Schedule). The County's reporting entity is defined in Note 1 to the financial statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 LOCAL GOVERNMENT CONTRIBUTIONS

Local cost sharing, as defined by the Uniform Guidance is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule.

NOTE 5 ADDITIONAL AUDITS

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results that may result in disallowed costs to the County. However, management does not believe such audits would result in any disallowed costs that would be material to the County's financial position at December 31, 2021.

NOTE 6 INDIRECT COST RATE

The County charges indirect costs for the Circuit Clerk and the Child Support Enforcement Agency using the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Qualified Opinion on the aggregate discretely presented component units; unmodified opinions on the governmental activities, each major fund and the aggregate remaining fund information
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified x yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)

20.205
21.019

Name of Federal Program or Cluster

Highway Planning and Construction Cluster
COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes x no

BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

2021-001 Material Weakness in Financial Reporting

Type of Finding Material Weakness in Internal Control over Financial Reporting

Condition:

Management is responsible for establishing, maintaining, and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with accounting principles generally accepted in the United States of America.

As part of the audit, management requested us to prepare a draft of the financial statements, including the related notes to the financial statements. The County does not have an internal policy in place over the preparation or review of the annual financial statements that would enable management to prepare the financial statements and the related note disclosures.

There is a lack of formal policies over areas of the County's internal control system to allow employees to reference how to handle specific events on a routine basis. Specific conditions resulting from management not having formal policies or reconciliation procedures included:

- Several adjustments, which were material to the financial statements, were required. In addition, necessary adjusting entries from the 2020 audit were not incorporated into the trial balance. This included a prior period adjustment related to loans receivable and a restatement of the beginning fund balance and net position amounts.
- As noted in previous audits, due to/from balances between funds were not in balance which required additional investigation and corrections in order to properly state the balances. Included in the due to/from accounts between funds are several balances that have remained open for a number of years. The physical transfer of cash between the funds will need to occur in order to resolve the balances.

Criteria:

County management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with applicable accounting and reporting standards.

Cause:

Year-end procedures were not sufficient to identify the adjustments listed above in a timely manner and there are a limited number of personnel.

Effect:

Potential exists that material misstatements to the financial statements could occur and not be prevented or detected by the County's internal controls. These adjustments arose, primarily because management does not have a process in place to ensure that the trial balance used in financial statement preparation is final and contains all appropriate journal entries.

BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings (Continued)

Repeat Finding:

Yes, 2020-001.

Recommendation:

The County should establish and document a well-defined process for financial reporting. The County should continue to assess its personnel needs including consideration of training and continuing professional educational opportunities that are essential in understanding of the County's financial reporting processes and requirements. We also recommend that the personnel involved in the financial reporting process obtain training related to the utilization of the County's financial reporting software.

We also recommend that interdepartmental communication and the flow of information be enhanced.

In addition, we recommend the County develop a comprehensive accounting policies and procedures manual. Such a manual would help ensure that proper accounting principles are being applied, that similar transactions are treated consistently, and that financial reports are produced in the form desired by management. A well-written accounting manual may also aid in the training of new employees and will assist management in delegating and segregating duties. Items generally included in an accounting manual include:

- An organizational chart.
- Job descriptions, outlining duties and responsibilities.
- Descriptions of methods, procedures and accounting principles to be followed, including explanations and examples of principle transactions.
- A chart of accounts with detailed explanations of what kind of transactions are to be recorded in each account.
- Examples of reports, journal entries and other documentation generated on a periodic basis.
- Any other documents or forms for which uniformity of use is desired.
- A checklist of period-end accrual journal entries required to be recorded under accounting principles generally accepted in the United States of America.

Finally, due to the complexities of accounting for some of the County's transactions, we recommend that management explore various alternatives to improving the controls over financial reporting including, but not limited to, the use of governmental accounting standards and reference guides and financial statement completion and disclosure check lists provided by the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants, (AICPA), the Governmental Accounting Standards Board (GASB) and other various financial publishing companies.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

Management's Response

Management agrees with the recommendations and specifically regarding:

- Due to/from – While management believes some improvements were made regarding due to/from reconciliations and other audit schedules, certain audit schedules required some revisions. The impact of the pandemic on the County was significant which also hindered complete resolution of this issue. Management plans on implementing procedures to review these balances each month to ensure they remain in balance.

In response to the other financial reporting findings, Management will work to improve financial reporting and consider implementing the following procedures moving forward:

- A comprehensive manual has been started. There is also a chart of accounts in our adopted budget book. This manual hasn't been adopted by the commission, but is complete enough that someone could run the office if necessary.
- Continues development of a comprehensive year-end closing manual to list documents and schedules needed, including accounts payable, accounts receivable, accrued salaries that includes examples of typical items that are accrued
- Maintain and review a listing of leases that includes a determination of capital or operating lease classification. The purchasing agent has copies of our leases.

In addition, management will continue evaluating professional services to assist with continued training in financial recording and reporting matters as well as additional training related to our financial reporting software as necessary.

2021-002 Lack of Segregation of Duties

Type of Finding Significant Deficiency in Internal Control over Financial Reporting

Condition

During our audit we noted that a limited number of employees were performing procedures in conjunction with recordkeeping, reconciliation, and financial reporting. Multiple employees have the ability and responsibility to sign checks, access to signature stamps, and access to checks.

Our review of the controls at the Prosecuting Attorney's office disclosed that one employee receives funds, enters receipts into the accounting system, sets up payees in the accounting system, prints pre-signed checks, and mails checks.

Our review of the controls at the Recorder of Deed's office disclosed that multiple employees have access to receive funds, enter receipts, sign checks, and mails checks and reconcile bank accounts.

BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings (Continued)

Criteria

Effective internal control will help ensure an adequate segregation of duties so that no one individual handles or has the ability to override the control of a transaction from its inception to its completion.

Cause

Limited resources and personnel.

Effect

Without a proper segregation of duties potential exists for misstatements to the financial statements.

Repeat Finding:

Yes, 2020-002.

Recommendation

We recommend that Management evaluate the controls in place for the County as a whole, and specifically in the areas of cash collections and disbursements, to the extent possible, all critical accounting functions are adequately segregated.

While we recognize that the County must assess the value of its internal control systems within a cost-benefit context, to the extent possible, we believe that the duties should be segregated to serve as a check and balance on operations in order to maintain the best control system possible. To the extent that segregation of duties is not practical, we suggest that management work to implement alternative procedures to compensate for the consolidation of incompatible duties.

Management's Response

Management will work with the office holders to evaluate current processes and implement procedures to segregate duties as necessary.

Prosecuting Attorney's Office

The audit note on controls in the prosecutor's office is partially correct and partially incomplete. There is one employee who receives funds and enters receipts into the accounting system. Those daily receipts are then balanced each day by a second employee with receipts for that day. Those receipts are then deposited by a third employee. The employee receiving receipts also sets up payees in the accounting system and prints and mails checks. However, the accounting system can only print checks consistent with the receipts that have been issued on each account and the person receiving receipts and printing and mailing checks cannot void either receipts or checks. Additionally, subsequent year-end, the Prosecuting Attorney's office stopped accepting cash or personal checks, and will only be accepting payments made in the form of a money order or a cashier's check.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

Management's Response (Continued)

Recorder of Deeds Office

All of the employees in the recorder's office take the cash payments because they are a customer service public office. Three employees have access to write checks. The checks have dual signature as a safeguard. There are three signors to cover when someone is out of the office.

2021-003 Expenditures Exceeding Budgeted Amounts

Type of Finding Significant Deficiency in Internal Control over Financial Reporting

Condition:

During audit fieldwork it was noted that 3 funds had expenditures exceeding the budgeted amount.

Criteria:

The County is required to have expenditures not exceed budgeted amounts in accordance with Missouri statutes.

Cause:

Past practices for expenditure approvals.

Effect:

The County is not complying with Missouri statutes.

Repeat Finding:

Yes, 2020-003.

Recommendation:

We recommend the County implement controls and procedures to more closely monitor expenditures incurred compared to budget in order to comply with Missouri statutes.

Management's Response

The County will ensure they are in compliance with Missouri statutes going forward.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-004 Duplicate Payment of Invoice

Type of Finding Significant Deficiency in Internal Control over Financial Reporting

Condition:

When determining completeness of the population for expenditures on one of the federal awards tested, we noted a transaction coded to the project, but noted no reimbursement of funds. It was determined that the County overpaid the vendor, as a corrected invoice was issued by the vendor, and both the initial and the corrected invoices were paid. Once identified by the auditors, a refund was requested and received by the County.

Criteria:

Effective internal control would ensure that duplicate invoices are not paid.

Cause:

Lack of oversight.

Effect:

The County overpaid a vendor.

Repeat Finding:

No.

Recommendation:

We recommend the County implement controls and procedures to more closely payments to ensure vendors are not paid for duplicate invoices.

Management's Response

Once identified, the County corrected the issue by requested a refund from the vendor.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021-005 **Documentation of Invoice Approvals**

Type of Finding **Material Weakness in Internal Control over Compliance**

Federal Agency: U.S. Department of Transportation

Federal Program Title: Highway Planning and Construction Cluster

Assistance Listing Number: 20.205

Pass-Through Agency: Missouri Department of Transportation

Pass-Through Number: BRO-B011(31); BRO-B011(32)

Compliance Requirement Affected: Activities Allowed or Unallowed; Allowable Cost/Cost Principles

Award Period: Year Ended December 31, 2021

Criteria or Specific Requirement: The County must establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition and Context: Six project disbursements were selected for testing, of which four were pay estimates from the contractor for construction services. One pay estimate from the contractor was not signed by the engineer or county commission as evidence of approval for payment. One pay estimate from the contractor was not signed by the county commission as evidence of approval for payment. The sample was a statistically valid sample.

Questioned Costs: Not applicable.

Cause: This was an oversight by County staff.

Effect: Unapproved payments could be made to the contractor.

Repeat Finding: No.

Recommendation: We recommend that the County not prepare payment disbursements without first documenting the proper approvals.

Views of Responsible Officials: There is no disagreement with the audit finding.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021-006 **Documentation of Suspension and Debarment Checks**

Type of Finding **Significant Deficiency in Internal Control over Compliance**

Federal Agency: U.S. Department of Transportation

Federal Program Title: Highway Planning and Construction Cluster

Assistance Listing Number: 20.205

Pass-Through Agency: Missouri Department of Transportation

Pass-Through Number: BRO-B011(31); BRO-B011(32); BRO-B011(33)

Compliance Requirement Affected: Suspension and Debarment

Award Period: Year Ended December 31, 2021

Criteria or Specific Requirement: The County must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the nonfederal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the federal award.

Condition and Context: One bid process was completed in order to select the construction contractor. The County did not have their own procedures in place in order to ensure bidder responders were not debarred or suspended. Reliance is placed on the Missouri Department of Transportation to check the contract before approving any new contracts.

Questioned Costs: Not applicable.

Cause: This was an oversight by County staff.

Effect: A suspended or debarred contractor could be considered in the bid awarding process.

Repeat Finding: No.

Recommendation: We recommend that the County check bid responders to the suspended and debarred list, and document this review.

Views of Responsible Officials: There is no disagreement with the audit finding.

**BUCHANAN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2021-007

Timely Reporting

Type of Finding

Significant Deficiency in Internal Control over Compliance and Other Matters

Federal Agency: U.S. Department of Treasury

Federal Program Title: Coronavirus Relief Fund

Assistance Listing Number: 20.019

Pass-Through Agency: Missouri Treasurers Office

Pass-Through Number: 00257

Compliance Requirement Affected: Reporting

Award Period: Year Ended December 31, 2020

Criteria or Specific Requirement: Per the Missouri Cares Funding FAQs for local governments receiving Coronavirus Relief Funds (CRF), “November reports must be filed by the 8th business day of the following month.”

Condition and Context: During testing, two of the six monthly reports tested were submitted after the reporting deadline. The sample was a statistically valid sample.

Questioned Costs: Not applicable.

Cause: This was an oversight by County staff.

Effect: A report not submitted timely could be refused or disqualified.

Repeat Finding: Yes. See finding 2020-004 in prior year.

Recommendation: We recommend the County put policies in place to ensure timely reporting.

Views of Responsible Officials: There is no disagreement with the audit finding.



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