

PLATTE COUNTY, MISSOURI

**SINGLE AUDIT REPORT
(OMB Circular A-133)**

FOR THE YEAR ENDED DECEMBER 31, 2009

Platte County, Missouri
Single Audit Report
(OMB Circular A-133)
For the Year Ended December 31, 2009

Table of Contents

	<u>Page Number</u>
Independent Auditor's Report on Schedule of Expenditures of Federal Awards	1
<p>A copy of the County of Platte County, Missouri's Comprehensive Annual Financial Report for the year ended December 31, 2009 accompanies this report. The independent auditor's report and the Comprehensive Annual Financial Report are hereby incorporated by reference.</p>	
<p>Additional information:</p>	
Schedule of Expenditures of Federal Awards	2
Notes to the Schedule of Expenditures of Federal Awards	3
Schedule of Findings and Questioned Costs	4-7
<p>Compliance reports:</p>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8-9
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	10-11

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**Independent Auditor's Report on Schedule
of Expenditures of Federal Awards**

To the Board of County Commissioners
Platte County, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Platte County, Missouri (the County) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 28, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's, basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

June 28, 2010



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ADDITIONAL INFORMATION

Platte County, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Program	CFDA#	Federal Expenditures
U.S. Department of Housing and Urban Development:		
Passed Through the Missouri Department of Social Services Emergency Shelter Grant	14.231	\$ 18,758
<i>Total U.S. Department of Housing and Urban Development</i>		<u>18,758</u>
U.S. Department of Justice:		
Direct Funding		
Ballistic Bulletproof Vest Grant	16.607	1,835
Project Safe Neighborhood Grant	16.609	65,331
ARRA - Emergency Equipment Procurement Grant	16.804	2,610
Passed Through the Missouri Department of Public Safety		
SSVF - Platte County Victim Services	16.575	12,222
STOP - Domestic Violence Prosecution Unit	16.588	22,761
Narcotics Control Assistance Program	16.738	115,332
ARRA - Multi-Jurisdictional Cyber Crimes Grant	16.803	84,403
ARRA - Platte County Multi-Jurisdictional Enforcement Group	16.803	127,437
Passed Through the Missouri State Highway Patrol		
HIDTA Grant	16.728	<u>241,852</u>
<i>Total U.S. Department of Justice</i>		<u>673,783</u>
U.S. Department of Transportation:		
Passed Through the Missouri Department of Transportation		
Full Time Traffic Officer Grant	20.600	20,500
Highway Safety - Seatbelt/Pickup Truck	20.600	6,838
Wolf Pack Grant	20.600	4,471
STIP - On Call Work Zone Enforcement	20.600	1,650
Hazardous Moving Violations	20.600	17,430
Passed Through the Missouri Department of Public Safety		
Local Emergency Planning Committee Grant	20.703	<u>4,533</u>
<i>Total U.S. Department of Transportation</i>		<u>55,422</u>
U.S. Department of Health and Human Services:		
Passed Through the Missouri Department of Social Services		
Drug Abuse Intervention Grant	93.667	5,863
One Chance...Many Choices Program Grant	93.667	14,615
PACT - Conflict Resolution Grant	93.667	<u>12,093</u>
<i>Total U.S. Department of Health and Human Services</i>		<u>32,571</u>
U.S. Department of Homeland Security		
Passed Through the Missouri Department of Public Safety		
SEMA Revenue Reimbursement Grant	97.042	<u>53,564</u>
<i>Total U.S. Department of Homeland Security</i>		<u>53,564</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 834,098</u>

See accompanying notes to the schedule of expenditures of federal awards.

Platte County, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Note 1. Organization

Platte County, Missouri (the County) is the recipient of several federal grants. The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County for the year ended December 31, 2009. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by the Office of Management and Budget Circular A-102, Attachment F, 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 of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results which 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, 2009.

Platte County, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2009

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on Financial Statements of Auditee
Unqualified

Internal Control Over Financial Reporting

Significant deficiencies identified. Not considered to be material weaknesses.

See findings 09-01 and 09-02

General Compliance

The audit did not disclose any instances of noncompliance which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs

No material weaknesses identified. No significant deficiencies reported.

Type Audit Report Issued on Compliance for Major Programs

Unqualified

Audit Findings

The audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.728	High Intensity Drug Trafficking Area
16.738	Narcotics Control Assistance Program
16.803	ARRA – Multi Jurisdictional Cyber Crimes Grant
16.803	ARRA – Platte County Multi-Jurisdictional Enforcement Group

Dollar Threshold Used to Distinguish Between Type A and Type B Program

\$300,000

Auditee Qualified as a Low-risk Auditee

No

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

09-01 Payroll Processing – Segregation of Duties

Condition

Currently the same person has the ability to enter new employees on the payroll software, make changes to employee information, enter employee time, process payroll, and prepare the funds transfer for payments. While we recognize that proper segregation of duties can be difficult with limited staff within the department, we believe that certain procedures could be developed to segregate incompatible functions or insert compensating controls where this is not practical. Implementing procedures for increased supervision and review of these functions can be one way to address segregation of duties concerns with compensating controls. The County also may be able to address some of these concerns by evaluating its current time-entry system and procedures. Currently, all time is entered manually by the Human Resources department. Improving this system may lead to more accurate and efficient time reporting, as well as improved segregation of duties. We recommend the County evaluate these suggestions to determine the cost-benefit of implementing such suggestions, as well as evaluating all of these functions to determine what other potential procedures could be implemented to improve segregation of duties.

Management Response

Segregation of duties for payroll processing at the County currently ensures payroll preparation is segregated from the general ledger function and other payroll functions such as hiring and rate change authorization, time sheet approval, and distribution of checks.

It is a common practice that a Payroll Specialist would be responsible for both data entry into an HRIS system as well as payroll processing. Although I agree that ideally these duties would be segregated, most organizations of our size do not have the staff, or the need, for a full-time HRIS data entry staff member. In addition, the Payroll Specialist simply enters data into the system and has no authority to approve such changes. These are issued by a Department Head/Elected Official on a personnel status change form which is a three part form filed in the employee's personnel file as well as in the Auditor's office.

We will continue to evaluate where reasonable changes can be implemented in the coming year.

09-02 Cash Account Reconciliations

Condition

During our audit in both the current year and prior year, we noted certain instances where bank reconciliations provided to us did not agree to amounts shown on the general ledger. County staff performs monthly reconciliations of all the County's various bank accounts and verify that all activity has been reconciled, however, the ending balance for the month was not equal to the adjusted balance on the County's financial records.

Additionally, we noted one instance where amounts held in a repurchase agreement by the County Collector were not accounted for on the related bank reconciliation, and as a result the amounts were not reflected on the County's financial records. A material adjustment was required to record these amounts.

We believe that the issues described above represent significant deficiencies in internal control over the County's cash management. We continue to recommend that the County evaluate the reconciliation process to ensure that reconciled balances agree with amounts shown on the general ledger. All reconciliations should be completed and any differences corrected prior to beginning the

reconciliation for the next period. Reconciliations should also reflect any amounts held in repurchase agreements. Improving this process will substantially increase control over cash. We also recommend that the reconciliation process be reviewed to ensure that all repurchase agreements are properly reflected on the County's records.

Management Response

County Treasurer's Response

The County Treasurer's office has several procedures in place that confirm all activity happening at the bank is recorded in the general ledger. We strive every year to improve these procedures and correct any problems.

County Auditor's Response

Monthly bank reconciliations are prepared by the County Treasurer. The Auditor and Treasurer have worked together to improve the bank reconciliation process and have made considerable progress. The differences now are very small compared to what was occurring in previous years.

The reconciliation process is very difficult due to the comingling of large amounts of activity into one pooled cash account.

During the audit it was identified that banking arrangements had been entered into by two county officials and not reported to the County Auditor for inclusion in the County's financial records. The County Auditor has implemented a process where we are communicating regularly with each department and requesting information regarding banking arrangements. Improved communication from the various departments would be helpful in making sure that all activity is properly accounted for and reported.

Section 2 – Financial Statement Findings (continued)

Summary Schedule of Prior Audit Findings

08-01 Financial Reporting

Condition

While performing our audit procedures, we identified certain adjustments related to accounting for the issuance of long-term debt, new lease agreements, and sales taxes receivable. Our audit procedures also revealed adjustments necessary to sales tax revenues and claims payable that resulted in adjustments to opening net assets and fund balance. As a result, the internal controls over the financial reporting process were not operating effectively. Accordingly, we consider these matters to be a significant deficiency in internal control over financial reporting. These necessary entries were primarily due to important financial closing procedures not being completed as of the time of our audit procedures.

We recommended that the year-end closing and financial statement preparation process be reviewed and changes made where practicable to help ensure the preparation of timely and accurate financial reporting.

Current Status

Recommendation implemented in 2009.

08-02 Payroll Processing

Condition

During our testing of payroll in prior years, we noted several instances where employee payroll files lacked essential tax or employee pay rate information. We believe that the lack of complete personnel files for all employees represents a significant deficiency in the County's payroll processing procedures.

Current Status

Recommendation partially implemented in 2009. The County has chosen to maintain certain personnel related information in each individual office or department based on the County's organizational structure.

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

Summary Schedule of Prior Audit Findings

None

COMPLIANCE REPORTS



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**Independent Auditor's 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**

To the Board of County Commissioners
Platte County, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Platte County, Missouri (the County), as of and for the year ended December 31, 2009 which collectively comprise the County's basic financial statements and have issued our report thereon dated June 28 2010. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting identified as findings 09-01 and 09-02. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the County in a separate letter dated June 28, 2010.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

June 28, 2010

A handwritten signature in black ink, appearing to read "Carolyn Head Vichard". The signature is written in a cursive, flowing style.



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**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

To the Board of County Commissioners
Platte County, Missouri

Compliance

We have audited the compliance of Platte County, Missouri (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether any noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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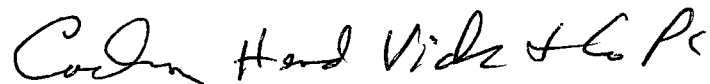
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

June 28, 2010

A handwritten signature in black ink that reads "Colin Hand" followed by a stylized flourish.