

Arkansas

Sen. Jimmy Hickey, Jr.
Senate Chair
Sen. Lance Eads
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Mary Bentley
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Financial and Compliance Report

Cross County, Arkansas Officials and Quorum Court Members
Legislative Joint Auditing Committee

A priority of Arkansas Legislative Audit is to assist county government officials by promoting sound financial management and accountability of government resources. The Legislative Auditor reports on the fiscal affairs of county governments, as well as compliance with relevant state laws and observance of good business practices to provide accountability for tax dollars expended to support government operations.

We have performed certain limited procedures with respect to regulatory basis financial information and compliance with certain state laws and accepted accounting practices for Cross County, Arkansas, as of and for the year ended December 31, 2017, and have issued our report thereon dated November 8, 2018. Management of the County is responsible for maintaining the financial records and complying with state laws and accepted accounting practices.

The findings contained in this section relate to the following officials who held office during 2017:

County Judge: Donnie Sanders
Treasurer: Karen McCorkle
Sheriff: J.R. Smith
Tax Collector: Debbie Davis
County Clerk: Melanie Winkler
Circuit Clerk: Rhonda Sullivan
Assessor: Sherri Williams
County Librarian: John Paul Myrick

We evaluated the County's compliance with certain state laws concerning general accounting, budgeting, purchasing, and investing and depositing of public funds.

Our procedures indicated that the offices of County Judge, Treasurer, Tax Collector, County Clerk, Circuit Clerk, Assessor, and County Librarian were in substantial compliance with Arkansas fiscal and financial laws. Noncompliance with state law and accepted accounting practices was noted in the office of the Sheriff.

Sheriff

1. The following deficiencies were noted concerning the Cross County Jail receipting procedures:

- All copies of voided receipts were not always included.
- Receipts were not always issued in the name of the violator and, therefore, could not be traced to a docket or a subsequent receipt in the Sheriff's or District Court Clerk offices.
- Cash funds taken upon incarceration were periodically returned to violators upon release without sufficient documentation.
- Management did not provide sufficient oversight and documentation for the process of transferring cash between custodians of jail collections.

As a result, jail receipts of \$2,528 could not be traced to a subsequent receipt in the Sheriff's office or District Court Clerk's office to be deposited. The custodian of funds could not be identified due to multiple employees having access to these funds.

Sheriff (Continued)

2. We noted the following issues regarding accrual of and payment for compensatory time, vacation and holiday leave, and payroll documentation:
- The County's personnel policy does not address the maximum number of compensatory hours employees can accumulate; however, Department of Labor Bulletin 29 CFR, Part 553.21, states that employees who engage in law enforcement may accrue up to 480 hours of compensatory time, while all other employees may accrue up to 240 hours. The accumulations and compensation noted below appear to conflict with this policy:
 - o Two Sheriff's Office employees, not classified as law enforcement, had accumulated compensatory time of 414 hours and 270 hours, respectively, at December 31, 2017.
 - o During 2017, Dispatcher #1 was paid for 602 hours (\$6,509) of accumulated compensatory time upon resignation.
 - o On May 22, 2018, Dispatcher #2 resigned and was paid for 521 hours (\$5,190) of accumulated compensatory time.
 - o On June 18, 2018, the Quorum Court approved a court order to pay \$23,475 for employee compensatory time to County dispatcher and jail employees, which included two individuals with accumulated compensatory time of 347 hours (\$3,301) and 252 hours (\$2,404), respectively.
 - According to the County's personnel policy, employees may only accumulate 80 hours of vacation leave. The County's personnel policy does not address the accumulation of or pay for holiday leave. The following areas of potential noncompliance were noted:
 - o Dispatcher # 1 accumulated and was paid for 208 hours (\$2,253) of vacation leave and 272 hours (\$2,942) of holiday leave.
 - o Dispatcher # 2 accumulated and was paid for 101 hours of vacation leave (\$1,008) and 40 hours of holiday leave (\$398).
 - Timesheets were not reviewed for correctness or signed by both the elected official or department head and the employee prior to submission to the County Clerk's office at the end of each bi-weekly pay period, in noncompliance with the County's policy and procedures manual.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, local County government, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
November 8, 2018
LOCO01917