

**BUCHANAN COUNTY, MISSOURI**  
**SINGLE AUDIT REPORTS**  
**YEAR ENDED DECEMBER 31, 2018**



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**BUCHANAN COUNTY, MISSOURI  
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**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Buchanan County Commission  
Buchanan County, Missouri

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Buchanan County, Missouri, (the County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 29, 2019, which contained qualified opinions on the governmental activities and the aggregate discretely presented component units; and unmodified opinions on each major fund and the aggregate remaining fund information. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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  
August 29, 2019

## **ADDITIONAL INFORMATION**

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2018**

	Federal CFDA Number	Grant Number	Current Year Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Justice</b>				
Direct Program:				
Equitable Sharing Program	16.922	MO0111000	\$ 302	\$ -
Passed through the Missouri Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAG-004	93,912	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAG-004	107,017	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>200,929</u>	<u>-</u>
Passed through Missouri Prosecuting Attorneys Association:				
Crime Victim Assistance	16.575	MAPABuchanan17-19	53,468	-
Crime Victim Assistance	16.575	ER130180073	9,978	-
Total Crime Victim Assistance Program			<u>63,446</u>	<u>-</u>
Total U.S. Department of Justice			<u>264,677</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
National Highway Cluster				
Passed through the Missouri Department of Transportation:				
State and Community Highway Safety	20.600	18-PT-02-068	7,552	-
State and Community Highway Safety	20.600	19-PT-02-004	2,378	-
State and Community Highway Safety	20.600	18-PT-02-102	6,121	-
Total State and Community Highway Safety Program			<u>16,051</u>	<u>-</u>
Passed through the Central Missouri State University:				
National Priority Safety Program	20.616	17-M5VE-03-022	1,416	-
Total National Highway Cluster			<u>17,467</u>	<u>-</u>
Passed through the Central Missouri State University:				
Alcohol Open Container Requirements	20.607	18-154-AL-154	1,646	-
Total U.S. Department of Transportation			<u>19,113</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through the Missouri Department of Social Services:				
Child Support Enforcement IV-D	93.563	ER10217A002	1,308,926	-
State Court Improvement Program	93.586	Not provided	3,002	-
Total U.S. Department of Health and Human Services			<u>1,311,928</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
Passed through the Missouri Department of Public Safety:				
Emergency Management Performance Grant	97.042	EMK-2018-EP-00003-13	28,937	-
Total U.S. Department of Homeland Security			<u>28,937</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,624,655</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, 2018**

**NOTE 1 ORGANIZATION**

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.

**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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 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 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 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, 2018.

**NOTE 5 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, 2018**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

- |   |                     |                               |
|---|---------------------|-------------------------------|
| 1. Type of auditors’ report issued:   | Qualified           |                               |
| 2. Internal control over financial reporting:   |                     |                               |
| • Material weakness(es) identified?   | <u>  x  </u> yes    | <u>        </u> no            |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | <u>  x  </u> yes    | <u>        </u> none reported |
| 3. Noncompliance material to financial statements noted?                                      | <u>        </u> yes | <u>  x  </u> no               |

***Federal Awards***

- |   |                     |                            |
|---|---------------------|----------------------------|
| 1. Internal control over major federal programs:  |                     |                            |
| • Material weakness(es) identified?   | <u>        </u> yes | <u>  x  </u> no            |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)?         | <u>        </u> yes | <u>  x  </u> 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)? | <u>        </u> yes | <u>  x  </u> no            |

***Identification of Major Federal Programs***

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
93.563	Child Support Enforcement IV-D
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u>        </u> yes <u>  x  </u> no

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings**

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**2018-001 Material Weakness in 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.

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 2017 audit were not incorporated into the trial balance.
- As noted in previous audits, transfers and 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.
- During the audit it was noted that approximately 21 cash accounts had no activity recorded for the entire fiscal year.
- In order to ease the recording of property taxes receivable, the County may want to consider separating property tax receipts into current, delinquent and future categories.

Criteria:

Internal controls should be in place to ensure year-end balances and external financial reporting conforms to generally accepted accounting principles and the County's accounting policies.

Cause:

Year-end procedures were not sufficient to identify the adjustments listed above in a timely manner.

Effect:

Potential exists for material misstatements to the financial statements. 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, 2018**

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**Section II – Financial Statement Findings (Continued)**

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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 GAAP.

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.

Management's Response

Management agrees with the recommendations and specifically regarding:

- Interfund Transfers and Due to/from – While management believes some improvements were made regarding interfund transfers and due to/from reconciliations and other audit schedules, certain audit schedules required some revisions. Management plans on implementing procedures to review these balances each month to ensure they remain in balance.

**BUCHANAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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Management's Response (Continued)

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

- Creation of a comprehensive accounting manual
- 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

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.

**2018-002 Material Weakness over Capital Assets Recording**

Condition

During our audit, we noted that the County has no formal policy related to capital assets which outlines thresholds for capitalization of assets, procedures for disposal of assets and procedures for monitoring and maintaining an accurate listing for financial reporting. This condition could result in capital assets not being appropriately recorded, depreciated, or reported for financial reporting purposes.

We noted the following during our audit:

- The County has not capitalized any infrastructure assets related to roads since implementation of GASB Statement No. 34.
- Several deletions were entered into the capital asset records during the current year without any support for those items being sold or disposed.
- We noted multiple reclassifications needed to be made to the expenditure accounts in order match amounts for capitalization. Errors included capitalized assets that should be in CIP, incorrectly adding assets to the software, and addition dates entered incorrectly creating miscalculations in depreciation expense.

In addition, during our audit, management indicated that a County-wide capital asset inventory had not been completed recently.

Criteria

Capital assets should be capitalized in accordance with accounting principles generally accepted in the United States of America and the County's procedures and policies.

**BUCHANAN COUNTY, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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Cause

The County's capitalization policies were not sufficient to ensure all capital assets were appropriately recorded.

Effect

Potential exists for material misstatements to the financial statements.

Recommendation

We recommend that management implement a written policy to provide guidelines for when expenditures should be capitalized, timing of placing assets in service and also to document the depreciable life of these assets. We also recommend using a capital outlay expenditure account to be used on all transactions that should be capitalized for reporting purposes. This would reduce the chance of error and create a more efficient way to track capital asset purchases. In addition, during our audit, management indicated that a County-wide capital asset inventory had not been completed recently. We believe a complete physical inventory of capital assets will provide the County with a more accurate inventory listing and will provide a strong source of detail and control that is needed to establish a system of safeguards for capital assets.

Management's Response

Management is in the process of developing a formal policy for capitalizing road expenditures. In addition, capital asset listings will be provided to each department head for their review as part of a County-wide physical inventory.

**2018-003 Material Weakness – Assets Not Under Control of the General Ledger**

Condition:

The County does not have a policy to have all assets under the control of the general ledger, which resulting in the following conditions:

- As disclosed in Note 13 of the Notes to the Basic Financial Statements, the County entered into a guaranty agreement in the amount of \$1,000,000 on behalf of the Buchanan County Agri-Business Expo Center, Inc. As collateral for the guaranty, County was required to deposit \$400,000 with a bank by the end of December 31, 2016 and additional deposits of \$200,000 are required on or before January 31 of 2017, 2018, and 2019. While properly reported in the financial statements, an audit adjustment has been required each year in order to record the bank account in the County's trial balance.

Criteria:

Safeguarding of assets requires that all assets be under the control of the general ledger.

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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Cause:

Management was treating the payments for the guaranty as a community development expense, rather than recording a restricted asset.

Effect:

The cash account related to the guaranty was not recorded as an asset within the County's internal financial statements.

Recommendation:

We recommend that management record the guaranty collateral account be recorded as an asset in the County's records and related interest revenue is recorded as earned.

Management's Response

The bank guaranty account will be added to the County's general ledger system as a restricted cash account.

**2018-004 Material Weakness – Employee Timesheet Controls**

Condition:

During audit fieldwork it was noted that select employees had additional time added to their timesheets after the employee had completed the timecard. In 2018, it was noted that a total of 72.25 hours were added to 16 different time cards, on 5 election workers, totaling an additional \$1,764 of wages paid out that were not earned.

Criteria:

Effective internal control over time keeping will guard the County from misappropriation of assets as it relates to payroll costs.

Cause:

Management allowed additional time to be added to timesheets when the time was not in fact worked by the employee.

Effect:

The County incurred payroll and payroll related costs that relate to time that was not worked by employees.

Recommendation:

The County implement controls over the time keeping function of the County payroll to reduce the possibility of management override.

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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Management's Response

The County is in the process of implementing new controls over the timekeeping and payroll system.

**2018-005 Significant Deficiency – Lack of Segregation of Duties**

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 Sheriff's office disclosed that one employee has access to cash receipts, records cash receipts in the accounting records, performs the daily cash count, reconciles the bank statements, and can print checks from the accounting system.

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.

During our testing of journal entries prepared by the Auditor's office it was noted that there was no evidence that an independent review was being performed to ensure the accuracy of journal entries.

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.

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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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 and journal entry review and approval to ensure that, 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.

Sheriff's office:

We have realigned staff, as well as, some job tasks and duties within both areas, which allows for supervision and review. We continue to work on this issue and have made strides, but are not completely where we would like to be. However, during policy and procedure reviews going forward we intend to continue to shape the process. Some of the efforts have been hampered by resignations, retirements, transfers, and realignment of duties – which requires training and experience in many aspects of the positions before becoming totally impendent. Additionally, I stay in contact with the Auditor's Office for issues relating to all accounting issues with our expenditures, deposits, grants, or release of funds.

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 ether receipts or checks.

Auditor's office

Management will implement a formal policy documenting an independent review and approval of journal entries.

**BUCHANAN COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

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**Section II – Financial Statement Findings (Continued)**

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**2018-006 Significant Deficiency – Payroll Changes**

Condition

During our audit we noted that there was a phishing scam perpetrated to an employee in the payroll department that lead to the County making payment to an unauthorized third party, in the net amount of approximately \$1,044.

Criteria

Effective internal control will help ensure proper channels are followed when a payroll change request is submitted to the payroll department.

Cause:

Changes to direct deposit information do not require an additional means other than email to communicate the change.

Effect

The County issued an employee's payroll to an unauthorized third party.

Recommendation

We recommend that Management evaluate the controls in place for the payroll department and implement new controls as needed to reduce the risk of the deficiency reoccurring.

Management's Response

Management has filed the proper incident reports with the local law enforcement and will evaluate the controls currently in place and will implement new controls as deemed needed.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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There were no audit findings required to be reported by 2 CFR 200.516(a).

## **COMPLIANCE REPORTS**



**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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 29, 2019. Our report contains a qualified opinion on the governmental activities and the aggregate discretely presented component units; and unmodified opinions on 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*.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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.

### **Internal Control over Financial Reporting (Continued)**

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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002, 2018-003, and 2018-004 to be material weaknesses.

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 2018-005 and 2018-006 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **The County's Responses to the Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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  
August 29, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Buchanan County Commission  
Buchanan County, Missouri

**Report on Compliance for the 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 program for the year ended December 31, 2018. The County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance of the County's major federal program based on our audit of the types of compliance requirements referred to above. 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 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). 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*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. 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 on compliance for the major federal program. However, our audit does not provide a legal determination on the County's compliance.

***Opinion on the Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose -of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*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. 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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

St. Joseph, Missouri  
August 29, 2019

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