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CITIZENS SUMMARY

Findings in the audit of the First Judicial Circuit, Clark County

Missing Monies and Other Questionable Transactions

At least \$3,743 was received but not deposited, and another \$750 in pro se divorce filing fees could be missing or uncollected. Also, 32 manual receipt slips were removed from the receipt slip books and could not be located, which may indicate additional funds are missing. In addition, at least \$7,688 was not collected due to the non-assessment of fines and court costs, the manipulation of case balances and collectability statuses, and one case balance was never entered into the Justice Information System (JIS). As a result, misappropriated court funds and missing monies totaled at least \$12,181. The former Circuit Clerk has been arrested and charged with 2 counts of felony stealing.

Accounting Controls and Procedures

The court has not adequately segregated accounting duties and has not established adequate supervisory or independent reviews, which increases the likelihood of errors, loss, theft, or misuse of funds going undetected. The Circuit Clerk's office lacks proper controls or procedures for manual receipt slips. The office used multiple receipt slip books concurrently, receipt slips were not accounted for properly, receipt slips were not always timely recorded in the JIS, and there was no independent review to ensure proper handling of receipts and receipt slips. Receipts are not always deposited timely, payments received in the mail are not recorded on a mail log, none of the 11 checks included in our cash count were restrictively endorsed, 6 cashier sessions were left open for up to 2 weeks, the composition of receipts did not agree to the composition of deposits, and electronic payments are not posted to the JIS until the end of the month. The Circuit Clerk's office does not properly document, review, or approve non-monetary transactions, adjustments, and voids; has not established a formal administrative plan for the collection of court debt or payment plans; and does not always assess time payment fees as required by court rules. The court does not generate liabilities reports to ensure monies are disbursed in a timely manner and reconciled bank balances are sufficient to cover liabilities.

Circuit Court Procedures

The court did not prepare budgets for various funds, and the Law Library Fund budget was incomplete. The court does not reconcile the change fund and the petty cash fund at the end of each day, and they are not kept in a safe, secure location. The change fund was not maintained at a constant amount, and the petty cash fund was not maintained on an imprest basis. Reportedly the former Circuit Clerk periodically retrieved money from the Ex Officio Recorder of Deeds' office to replenish the court's petty cash fund. The court refused to accept bond monies from the Sheriff's office until a case number was assigned, which increases the potential for loss, theft, or misuse of funds. Court employees did not log off their computers when unattended or keep passwords confidential, and computers did not shut down after a period of inactivity. The user account of one former employee was not disabled until 6 months after the employee resigned. The court did not prepare an annual report of passport fees charged and expenditures of those fees, as required by state law.

Law Library Fund Controls and Procedures	The court has not adequately segregated accounting duties for the Law Library bank account and financial activities, and an independent review is not performed. In addition, bank reconciliations were not prepared.
Drug Court Deposits	Court personnel do not always timely deposit receipts, and some cash receipts were held as long as 23 days before deposit.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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