



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Thirty-Third Judicial Circuit, City of Miner Municipal Division

### Missing Monies

In July and August 2014, audit procedures identified discrepancies between accounting and deposit records, and we determined monies totaling at least \$14,398 were missing. Receipts totaling \$12,398 recorded on 108 receipt slips issued by the municipal division for fines and court costs and the Police Department for bonds, and transmitted to the city were not deposited. After the initial receipt discrepancy was discussed with municipal division and city personnel in July 2014, changes were made to the city's electronic receipt report to alter receipt amounts previously recorded. We determined amounts recorded for 19 receipt slips, totaling \$2,000, were altered when compared to the city's original electronic receipt report. The City Prosecuting Attorney contacted the Missouri State Highway Patrol to investigate possible missing monies. The City Clerk was suspended with pay on September 19, 2014, terminated by the city on October 3, 2014, and charged with felony theft/stealing on December 22, 2014.

### Accounting Controls and Procedures

Neither the municipal division nor city personnel perform adequate supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division is not possible because the Municipal Court Clerk is the only municipal division employee. Neither the Municipal Judge nor city personnel provide adequate supervision or a review of the work performed by the Municipal Court Clerk. In addition, no one independent of the cash custody and record-keeping functions reconciles recorded receipts to deposits, or reviews disbursements. The Municipal Court Clerk also does not always transmit monies timely to the city and the city does not always deposit court monies timely. Several employees handle municipal division receipts before deposit, and there is not adequate documentation to support the transmittal of monies from one employee to another. The City Collector does not perform a reconciliation to ensure the composition of monies transmitted by the Municipal Court Clerk to the city agree to the composition of monies remitted to the City Collector for deposit. In addition, copies of the City Collector's deposit slips are not provided to the Municipal Court Clerk to support the amounts deposited.

### Bond Liabilities and Disbursements

The Municipal Court Clerk does not prepare a list of open bonds for comparison to the reconciled bond bank account balance, and is unable to agree open bonds to the account balance. The municipal division has not adequately reviewed the status of old open bonds held in the municipal division bond bank account. The August 31, 2014, list of open bonds consists of 114 bonds totaling \$33,831. Forty-eight of these bonds, totaling \$17,375, are over 5 years old, with 4 of those bonds dating back to 2001. The City Clerk did not always accurately calculate monthly disbursements of fines, court costs, and bonds, and did not always prepare correct monthly court reports submitted to the state. For disbursements from the municipal

division bond bank account, the Mayor's signature stamp is not adequately controlled and the City Treasurer sometimes signs checks in advance.

## Municipal Division Procedures

The Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. Of 159 tickets reviewed, 4 tickets were missing, 10 tickets had the incorrect ticket number entered into the Police Department's computerized system, and 23 tickets were voided. The Police Department does not follow a consistent policy for the handling of voided tickets. The municipal division has not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office. The city's accounting of the percent of annual general operating revenue from fines and court costs for traffic violations was not accurate. The municipal division has been inappropriately charging and collecting court costs of \$7 for the statewide Court Automation Fund fee since at least June 2000. The total amount collected in error likely exceeds \$50,000. Additionally, the Municipal Court Clerk does not file a monthly report of cases heard with the city.

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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