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CITIZENS SUMMARY

Findings in the audit of the Nineteenth Judicial Circuit, Cole County Civil and Criminal Divisions

Missing Funds

At least \$14,669 was received by the Circuit Court Criminal Division but not deposited. The State Auditor's office audited the circuit court criminal and civil division operations after a request made by the Presiding Judge. In December 2011, a court clerk and court clerk supervisor were both charged with one count each of felony stealing.

Monies recorded on 28 different manual receipts slips were not deposited, including monies from cash bonds and parking ticket payments. The missing cash receipts were not promptly detected due to a lack of segregation of duties, inadequate controls, and a lack of proper oversight by the Circuit Clerk.

Accounting Controls and Procedures

The audit revealed significant weaknesses in accounting controls and procedures, making it difficult to ensure all court receipts are accounted for properly. Prior to July 2011, manual receipt slips were routinely used, but they were not timely recorded in the Justice Information System or timely deposited, and reconciliations to the Justice Information Systems were not reviewed. Accounting duties are not adequately segregated, and the Circuit Clerk's reviews are inadequate. Because of inadequate supervision, not all transactions were reviewed, questionable transactions were not identified timely, and funds are missing. In one instance, a receipt was issued for \$300 cash but was recorded in the Justice Information System 16 days later as a non-monetary transaction. The cash was never deposited, but the Circuit Clerk signed off on the cashier session without question.

The composition of receipts (cash, checks, and money orders) is recorded in the Justice Information System but is not reconciled to the composition of deposits. This failure may have contributed to the missing funds, as at least one check was substituted for cash. Non-monetary transactions, such as uncollectible write-offs, voids, and adjustments are not properly documented or reviewed by division supervisors and the Circuit Clerk. The Circuit Clerk does not review the list of accrued costs owed to the court for accuracy. Monthly lists of liabilities are not adequately reviewed to ensure bonds are disbursed in a timely manner. The Circuit Clerk lacks adequate procedures for following-up on outstanding checks.

Corrective Action

The Circuit Clerk failed to implement recommendations made by the Court Administrator, the Office of State Courts Administrator and the Presiding Judge. Many of the weaknesses identified likely contributed to the misappropriation of funds. As far back as 2007, the Presiding Judge

expressed concern with untimely recording of receipts and failure to deposit daily, and in March 2010, the Court Administrator cautioned against using manual receipts. The Court Administrator also pointed out discrepancies which the Circuit Clerk did not adequately investigate and resolve, and in 2008, the Office of State Courts Administrator recommended additional procedures for receipting parking tickets.

Law Library Fund Controls and Procedures	The Circuit Clerk performs all of the accounting duties for the Law Library bank account, including recording receipts, depositing monies, writing and signing checks, and performing bank reconciliations, with no oversight or independent review. The Circuit Clerk gives the Court Administrator signed blank checks to make purchases from the fund. Duties should be segregated and/or independent reviews conducted, and the Circuit Clerk should refrain from signing blank checks.
Parking Ticket Procedures	There is no assurance that all Missouri Capitol Police parking tickets are recorded in the Justice Information System and deposited, and parking ticket receipts are not reconciled to the Capital Police parking ticket database. Until August 2011, parking ticket receipts were acknowledged only with manual receipt slips, and receipts issued for a period of several days might be combined into one deposit with no identifying information about the payors or the ticket numbers entered in the Justice Information System. Although some improvements have been made, the Circuit Clerk still does not reconcile the parking ticket database to Justice Information System parking ticket receipts.
Inactive Bank Accounts	The Circuit Clerk has two inactive bank accounts, established 20 years ago, each holding over \$100,000 related to two different cases. Maintaining inactive accounts increases the risk of misuse of funds. The Circuit Clerk should work with the court to try to identify and distribute the funds to the appropriate parties, properly dispose of any unclaimed or unidentified funds, and close the accounts.

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

American Recovery and Reinvestment Act (Federal Stimulus)	The Nineteenth Judicial Circuit, Cole County, Civil and Criminal Divisions, did not receive any federal stimulus monies during the audited time period.
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*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.