



Susan Montee, CPA
Missouri State Auditor

Twenty-Sixth Judicial Circuit

Camden County

April 2008
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Office of
Missouri State Auditor
Susan Montee, CPA

April 2008

The following findings were noted as a result of an audit conducted by our office of the Twenty-Sixth Judicial Circuit, Camden County, Missouri.

At December 31, 2007, the Circuit Clerk's checking accounts had 340 outstanding checks, totaling \$25,424, that were over a year old, with some of the checks issued as far back as 1993. Procedures should be adopted to routinely follow up on outstanding checks and reissue them if the payees can be located. Undistributed monies should be disposed of in accordance with state law.

The Circuit Clerk has four old checking accounts with minimal activity. These accounts had balances totaling \$49,178 at December 31, 2007. The clerk also had four CDs totaling \$237,438 at December 31, 2007, that consisted primarily of interest income and monies not identified to specific cases. The Circuit Clerk should attempt to identify the funds held in the old checking accounts and CDs. Any amounts identified should be disbursed, while unidentified funds should be disposed of in accordance with state law, and the old bank accounts should be closed.

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YELLOW SHEET

TWENTY-SIXTH JUDICIAL CIRCUIT
CAMDEN COUNTY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, CPA
Missouri State Auditor

Presiding Judge and Court en banc
and
Circuit Clerk of the
Twenty-Sixth Judicial Circuit
Camden County, Missouri

We have audited certain operations of the Twenty-Sixth Judicial Circuit, Camden County. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2007. The objectives of our audit were to:

1. Determine if the judicial circuit has adequate internal controls over significant financial functions such as receipts.
2. Determine if the judicial circuit has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the judicial circuit, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. 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. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the judicial circuit's management, the Office of State Courts Administrator, and Camden County and was not subjected to the procedures applied in our audit of the judicial circuit.

The accompanying Management Advisory Report presents our findings arising from our audit of the Twenty-Sixth Judicial Circuit, Camden County.



Susan Montee, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Janielle Arens
	Marc Applegate

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

TWENTY-SIXTH JUDICIAL CIRCUIT
 CAMDEN COUNTY
 MANAGEMENT ADVISORY REPORT -
 STATE AUDITOR'S FINDINGS

Circuit Clerk's Controls and Procedures

The Circuit Clerk has not established procedures to routinely follow-up on old outstanding checks and has several old checking accounts and certificates of deposit (CD) that should be closed.

- A. At December 31, 2007, the Circuit Clerk's accounts had 340 outstanding checks, totaling \$25,424, that were over a year old, as follows:

Account Name	Number of Checks	Amount of Checks Outstanding
Justice Information System (JIS)	24	\$ 2,519
Circuit Clerk	99	8,967
Associate Circuit Clerk	205	12,583
Old JIS Account	10	1,288
Probate Account	2	67
Total	340	\$ 25,424

Some of the checks were issued as far back as 1993. Court personnel indicated many of the checks have remained outstanding because new addresses cannot be located for the payees. Most of the outstanding checks were issued on old checking accounts that should be closed (see Part B).

Old outstanding checks create additional and unnecessary record keeping responsibilities. Procedures should be adopted to routinely follow up on outstanding checks and reissue them if the payees can be located. If the payees cannot be located, these undistributed monies should be disposed of in accordance with state law.

- B. The Circuit Clerk has four old checking accounts with minimal activity which had balances totaling \$49,178 at December 31, 2007. The clerk also had four CDs which had balances totaling \$237,438 at December 31, 2007, that consisted primarily of interest income and monies not identified to specific cases.

The court adopted the state's JIS accounting system in November 2005. At that time, a new checking account was opened to handle court transactions; however, this checking account is no longer used and had a balance of \$100 at December 31, 2007. The checking account that is currently used was opened in July 2006. Prior to adopting the JIS system, the court had separate checking

accounts for the Circuit Clerk, Associate Circuit Clerk, and Probate Division, which remain open but are rarely used. Of the combined balances of these three accounts of \$49,078 at December 31, 2007, the court has identified \$5,576 as interest income and the remaining \$43,502 has not been identified to specific cases. Interest income is usually spent on court-related expenses at the direction of the Presiding Circuit Judge.

In addition, the court has funds in three CDs which have not been identified to specific cases. A fourth CD is identified to a specific case but the CD principal balance has been distributed and the remaining balance of \$162 at December 31, 2007, consists of interest income. Current court personnel indicated the former Circuit Clerk placed monies in CDs when there were excess funds in the checking account which would not be paid out within six months; however, no documentation was maintained to identify the funds placed in the CDs to specific cases. As of December 31, 2007, the funds in CDs totaling \$237,438, consisted of \$48,123 in accumulated interest and \$189,315 which is not case specific.

Old inactive accounts increase the required bookkeeping duties, putting a greater burden on limited resources. The Circuit Clerk should attempt to identify the funds held in the old checking accounts and CDs, and, if possible, disburse the amounts identified. Any funds that cannot be identified should be disposed of in accordance with state law and the old bank accounts should be closed.

WE RECOMMEND the Circuit Clerk:

- A. Adopt procedures to routinely follow up and reissue old outstanding checks. If the payees cannot be located, these monies should be disposed of in accordance with state law.
- B. Attempt to identify and distribute the funds held in the old checking accounts and CDs, dispose of any unclaimed or unidentified funds in accordance with state law, and close the old bank accounts.

AUDITEE'S RESPONSE

The Circuit Clerk provided the following responses:

- A. *My previous chief deputy resolved all of the outstanding checks and turned over to unclaimed fees what she could get to prior to us going on the JIS state system. She left here shortly after we went on JIS, at the end of April 2006. It is impossible for my current bookkeeper to do her full-time job and resolve these outstanding check issues, so I am in the process of applying to the Office of State Courts Administrator for a special projects person to come and get these older checks cleared up.*
- B. *The money in the old bank accounts belong to files that are still in our old accounting program. When the state installed JIS, they disabled the old accounting program and we*

are not able to access it at all. We have a call into the computer programmer who wrote the old program. Even though he no longer works for the company he was with, he is going to come by and see if he can at least get the report we need out of the program. Then we will pull the files in question and get them to a judge to see if he will order that the money be paid out.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

TWENTY-SIXTH JUDICIAL CIRCUIT
 CAMDEN COUNTY
 HISTORY, ORGANIZATION, AND
 STATISTICAL INFORMATION

Organization

The Twenty-Sixth Judicial Circuit consists of Camden County as well as Laclede, Miller, Moniteau, and Morgan counties.

The Twenty-Sixth Judicial Circuit consists of two circuit judges and seven associate circuit judges. The circuit judges hear cases throughout the circuit. One circuit judge serves as the presiding circuit judge on a rotating basis and is responsible for the administration of the circuit. Of the seven associate circuit judges, two are located in Camden County and hear cases primarily in the county. Of the other five associate circuit judges, two are located in Laclede County and one each are located in Miller, Moniteau, and Morgan counties.

In addition to the judges, the Twenty-Sixth Judicial Circuit, Camden County personnel include a circuit clerk, nineteen deputy clerks (one of which also serves as the presiding judge's secretary), two court reporters, one chief juvenile officer, three deputy juvenile officers, and two support staff. The circuit personnel for the other counties within the circuit are reported on separately.

Operating Costs

The salaries of the judges, circuit clerk, twelve deputy clerks, court reporters, and chief juvenile officer are paid by the State of Missouri. Operating costs of the juvenile office, court reporters, and circuit judges, and salaries of the remaining juvenile office personnel are paid by the counties within the Twenty-Sixth Judicial Circuit. Other court operating costs and salaries for seven deputy clerks are paid by Camden County.

Receipts

Receipts of the Twenty-Sixth Judicial Circuit, Camden County, were as follows:

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
Court deposits, fees, bonds, and other	\$ 12,517,003	3,797,003
Interest income	18,005	4,076
Total	<u>\$ 12,535,008</u>	<u>3,801,079</u>

Caseload and Time Standards Statistics

From the Office of State Courts Administrator Missouri Judicial Reports, caseload statistics of the filings and dispositions of the Twenty-Sixth Judicial Circuit, Camden County, were as follows:

	2007		2006	
	Filings	Dispositions	Filings	Dispositions
Civil	2,653	2,667	2,331	2,180
Criminal	2,897	2,789	3,289	3,192
Juvenile	94	85	131	147
Probate	87	90	80	58
Total	5,731	5,631	5,831	5,577

From the Office of State Courts Administrator Missouri Judicial Report for fiscal year 2007, statistics on compliance of the Twenty-Sixth Judicial Circuit, Camden County, with time standards for disposition of certain types of cases were as follows:

Type of Case	Time Standard	Twenty-Sixth Judicial Circuit Camden County	State Total
Circuit Civil	90 % in 18 months	68 %	77 %
	98 % in 24 months	77	88
Domestic Relations	90 % in 8 months	75	84
	98 % in 12 months	84	91
Associate Civil	90 % in 6 months	86	87
	98 % in 12 months	98	97
Circuit Felony	90 % in 8 months	91	81
	98 % in 12 months	95	90
Associate Criminal	90 % in 4 months	84	71
	98 % in 6 months	93	85

Personnel

At December 31, 2007, the judges, Circuit Clerk, and Juvenile Officer of the Twenty-Sixth Judicial Circuit, Camden County, were as follows:

Circuit Judges:

Stanley Moore, Division One (1)
Greg Kays, Division Two, Presiding Judge

Associate Circuit Judges:

Jack A. Bennett, Division Three
Bruce Colyer, Division Four

Jo McElwee, Circuit Clerk

Tammy Walden, Juvenile Officer

(1) Replaced James A. Franklin Jr. effective January 1, 2007

An organization chart follows:

TWENTY-SIXTH JUDICIAL CIRCUIT
CAMDEN COUNTY
ORGANIZATION CHART
DECEMBER 31, 2007

