



**Thomas A. Schweich**  
Missouri State Auditor

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**FOLLOW-UP REPORT ON  
AUDIT FINDINGS**

**Fortieth Judicial Circuit**

**City of Diamond  
Municipal Division**

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**March 2013**  
**Report No. 2013-029**



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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Fortieth Judicial Circuit  
and  
Municipal Judge  
Diamond, Missouri

We have conducted follow-up work on audit report findings contained in Report No. 2012-78, *Fortieth Judicial Circuit, City of Diamond Municipal Division*, issued in August 2012, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the court about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the court, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we reviewed supporting documentation provided by the Court Clerk, and discussed the status of the findings and any corrective actions taken regarding our audit findings with the Court Clerk. Documentation included receipt and disbursement records, monthly reports, bank statements, and various case files. This report is a summary of the results of this follow-up work, which was substantially completed during January 2013.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich  
State Auditor

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# Fortieth Judicial Circuit, City of Diamond Municipal Division

## Follow-Up Report on Prior Audit Findings

### Status of Findings

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1. Accounting Controls and Procedures Significant weaknesses were identified with depositing and recording municipal division monies, and segregation of duties was not adequate.

1.1 Depositing procedures Procedures were not in place to ensure all municipal division monies were deposited, deposits were often made into the wrong bank account and were not made timely or intact, and the composition of receipt slips was not reconciled to the composition of deposits. Cash receipts totaling \$207 were not deposited. Credit card payments totaling \$1,329 were not properly processed and when the municipal division attempted to process these transactions after this was brought to their attention, two credit card payments totaling \$400 were denied.

**Recommendation** The City of Diamond Municipal Division reconcile receipt slips to the amount and composition of deposits and deposit monies timely and intact. Additionally, the municipal division should follow up on the undeposited cash and credit card receipts and attempt to recover these funds.

**Status** **Implemented**  
We scanned deposits made between January 2 and January 22, 2013, and noted the amount and composition of receipt slips is now reconciled to deposits, and monies are deposited daily and intact. The court made contact with the defendant whose \$400 credit card payments were denied and the Judge continued the case for 6 months; however, without successful collection, the Judge dismissed the case. The Court Clerk has reviewed the \$207 in undeposited cash receipts and indicated the funds were received by the prior clerk, but not deposited.

1.2 Recording procedures Prior to August 2011, some fines, court costs and bonds were not posted or were not posted timely to the court's Summit computer system causing monthly reports and amounts distributed to state and city funds to be incorrect. In August 2011, the municipal division converted to the Justice Information System (JIS), the Missouri courts automated case management system.

**Recommendation** The City of Diamond Municipal Division reconcile amounts received and deposited to amounts posted to the computer system. For periods prior to August 2011 the municipal division should compare reports filed with Office of State Courts Administrator (OSCA) to amounts collected and determine if additional fees are due to the state and city funds.

**Status** **Partially Implemented**  
Since implementing the JIS system the Court Clerk has been reconciling amounts received to amounts deposited; however, she has not gone back to



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periods prior to August 2011 to compare amounts collected to amounts reported to the OSCA. We reviewed manual receipt slips issued between January 2 and January 22, 2013, to ensure amounts received were posted to the JIS. The Court Clerk records the date posted to the JIS on the manual receipt slip copy.

### 1.3 Bond liabilities

Bonds received prior to August 2011 were deposited into the city's General Fund, but a balance of bond monies held by the city was not maintained and reconciled to the municipal division's outstanding bond list. Additionally, bonds received were not always correctly posted to the Summit computer system, and as a result, the list of outstanding bonds generated was not always accurate.

#### Recommendation

The City of Diamond Municipal Division review bonds collected prior to August 2011 and identify any additional outstanding bonds and transfer case information to the JIS. Bond monies should be transferred to the municipal division bond account for proper disbursement.

#### Status

##### **Partially Implemented**

Following the conversion to the JIS any cases coming to the court's attention were entered into the JIS at that time. The Court Clerk stated that nothing has come to her attention recently that would indicate there were unidentified bond monies still being held in the city's bank account; however, the Court Clerk has not reviewed bonds collected prior to August 2011 to ensure all amounts were identified and transferred to the court account.

### 1.4 Segregation of duties

No one independent of the cash custody and record keeping functions reconciled recorded receipts to deposits.

#### Recommendation

The City of Diamond Municipal Division segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

#### Status

##### **Implemented**

The City Clerk is now reviewing daily receipt reports and comparing these reports to amounts deposited. We scanned receipt reports between January 2 and January 22, 2013, and noted documentation of the City Clerk's review.

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## 2. Municipal Division Procedures

An organized filing system of municipal division records was not maintained. Additionally, the municipal division did not prepare and file with the city a list of cases heard each month as required by state law, court costs were not remitted to the state in a timely manner, and restitution



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amounts were not supported by a court approved schedule. Further, traffic ticket numbers were not accounted for properly.

**2.1 Organization of records** Some court records were filed in general disarray and municipal division personnel had difficulty locating some records and did not locate four requested case files.

**Recommendation** The City of Diamond Municipal Division ensure municipal division records are organized efficiently and appropriately retained.

**Status** **Implemented**  
We observed court records filed in an organized manner in filing cabinets and daily and monthly reports filed in labeled three ring binders. The Court Clerk indicated that all court files are now properly retained.

**2.2 Report of cases heard** The monthly report filed with the city did not include a list of all cases heard.

**Recommendation** The City of Diamond Municipal Division ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

**Status** **Implemented**  
Monthly reports filed with the city now appear to include all cases heard by the court. We reviewed the December 2012 report filed with the city in January 2013.

**2.3 Untimely disbursements** Some court costs collected by the municipal division for the state, along with the monthly summary reports were not submitted in a timely manner.

**Recommendation** The City of Diamond Municipal Division disburse court monies and file monthly reports timely.

**Status** **Implemented**  
Disbursements are now made monthly. Fines and court costs collected in December 2012 were disbursed on January 4, 2013.

**2.4 Restitution amounts** Restitution amounts imposed by the court for defendants involved in alcohol or drug related offenses were not supported by a court approved schedule.

**Recommendation** The City of Diamond Municipal Division work with the Chief of Police to establish a schedule of processing costs for restitution collections in accordance with city code.



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Status

**Implemented**

The Police Chief provided a schedule of processing costs for alcohol and drug related offenses.

2.5 Ticket accountability

Neither the city Police Department nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued.

Recommendation

The City of Diamond Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Status

**Implemented**

Both the Court Clerk and the Police Chief keep a log of tickets accounting for the numerical sequence and the Court Clerk also maintains one copy of the ticket that is filed in numerical order.