



**Thomas A. Schweich**  
Missouri State Auditor

---

**FOLLOW-UP REPORT ON  
AUDIT FINDINGS**

**New Madrid County Sheriff**

---

August 2014  
Report No. 2014-054



---

<http://auditor.mo.gov>

---

New Madrid County Sheriff  
Follow-Up Report on Audit Findings  
Table of Contents

---

State Auditor's Letter 2

---

Status of Findings\*

1. Missing Monies .....3  
2. Accounting Controls and Procedures .....3

\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

To the County Commission  
and  
Sheriff of New Madrid County

We have conducted follow-up work on certain audit report findings contained in Report No. 2013-113, *New Madrid County Sheriff*, issued in November 2013, 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 Sheriff and County Commission 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 Sheriff's office, 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 the written status of recommendations and supporting documentation submitted by the Sheriff's office, and held discussions with the Sheriff and Sheriff's Office Manager. Documentation reviewed included court documents, bank statements, receipt and deposit records, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during February and March 2014. While working with the Sheriff's office in conducting the follow-up work, a \$500 cash bond was determined to be missing, and concerns related to the handling of inmates' monies and personal property were identified. Additional work related to inmate monies and personal property was completed during April and May 2014, and the results and conclusions are addressed in a letter to the New Madrid County Sheriff dated August 13, 2014, and released as Report No. 2014-055.

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

Thomas A. Schweich  
State Auditor

---

# New Madrid County Sheriff

## Follow-Up Report on Prior Audit Findings

### Status of Findings

---

1. **Missing Monies** Cash receipts totaling \$79,766 recorded on one-write receipt slips issued by Deborah L. Cowan, a commissioned Sheriff's Deputy (Deputy), were not deposited. Unrecorded checks received were substituted into these deposits for the recorded cash receipts not deposited. Problems with concealed carry weapon (CCW) records indicated CCW fees totaling at least \$2,900 could be missing. The Deputy was placed on administrative leave on April 3, 2013, terminated her employment on April 23, 2013, and was charged with felony theft/stealing charges on July 30, 2013. On October 22, 2013, the county received \$45,000 in restitution for a portion of the missing monies.

**Recommendation** The Sheriff take necessary action to recover the missing monies and continue to work with law enforcement authorities regarding any criminal prosecution.

**Status** **Implemented**

On November 7, 2013, the court ordered a suspended imposition of sentence, and the defendant was placed on 5 years of supervised probation with special conditions requiring full restitution of an additional \$44,000 at the rate of \$1,467 per month. The defendant admitted to stealing more CCW monies; and therefore she agreed/was ordered to pay a total of \$89,000 (more than the \$79,766 reported as missing). In addition to the \$45,000 restitution payment made in October 2013, the defendant made payments of \$4,500 on January 22, 2014, \$3,000 on March 10, 2014, and \$4,000 on June 3, 2014, for a total of \$56,500.

---

2. **Accounting Controls and Procedures** Significant weaknesses exist in accounting controls and record-keeping procedures in the Sheriff's office.

2.1 **Segregation of duties and supervisory review** The Sheriff did not adequately segregate accounting duties or provide adequate oversight of financial functions and records. The Deputy was primarily responsible for all accounting duties, including receiving monies, recording transactions, maintaining accounting records, making deposits, transmitting and disbursing monies, and preparing month-end bank reconciliations for the two bank accounts held by the Sheriff's office. Additionally, the Deputy was an approved signer on Sheriff bank accounts and only one signature was required. The Sheriff or other office staff did not perform a comparison of the composition of monies received to the composition of monies transmitted or deposited.

**Recommendation** The Sheriff adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

**Status** **Partially Implemented**



New Madrid County Sheriff  
Follow-up Report on Prior Audit Findings  
Status of Findings

The Sheriff does not have plans to segregate accounting duties due to limited personnel. The Sheriff reviewed bank reconciliations and monthly reports for December 2013, and documented his review and approval. However, the Sheriff's reviews were not adequate as further discussed in finding section 2.3 status.

## 2.2 Receipting and depositing

Controls and procedures over receipting and depositing monies were not sufficient. The Deputy did not issue one-write receipt slips for some monies received, and the method of payment (cash, check, or money order) was not recorded on either the bond or one-write receipt slips and reconciled to deposits. Additionally, the Deputy did not issue one-write receipt slips immediately upon receipt of monies and some one-write receipt entries represented a combination of multiple payments received, not individual payments received. The Deputy did not deposit receipts intact or timely and did not include an itemized listing of cash, checks, and money orders on the deposit slips.

### Recommendation

The Sheriff issue receipt slips for all monies received, with the method of payment documented, and reconcile the composition of receipt slips to the composition of deposits. The Sheriff should also maintain documentation of which receipts are included in deposits, and deposit receipts intact and in a timely manner.

### Status

#### **Partially Implemented**

We reviewed receipt slips issued from December 2013 through February 2014, and determined one-write receipt slips were not issued for all bond monies, the method of payment was not always documented, and the composition of receipt slips was not always reconciled to the composition of deposits. In addition, receipts were not always deposited intact and timely. Documentation was maintained indicating which receipts are included in deposits.

## 2.3 Bond monies

Controls and procedures for receipting and recording bond monies were not sufficient. Jail personnel did not always issue bond receipt slips in numerical sequence, and original copies of some voided and skipped receipt slips were not retained. Additionally, bond forms used by the Sheriff's office were not prenumbered and copies of bond forms issued were not always retained. Further, documentation was not maintained to support the transmittal of bond monies from deputies and jailers to the Deputy, or to the New Madrid County Circuit Court.

### Recommendation

The Sheriff ensure bond receipt slips are issued in numerical sequence, all copies of voided and skipped receipt slips are retained, and the numerical sequence of receipt slips is accounted for properly. The Sheriff should also ensure the transmittal of bond monies between persons is documented, and issue prenumbered bond forms and account for the numerical sequence.



New Madrid County Sheriff  
Follow-up Report on Prior Audit Findings  
Status of Findings

Status

**Partially Implemented**

Bond procedures were not adequately improved. We reviewed December 2013 through February 2014 bond records and determined the numerical sequence of bond receipt slips was not accounted for, copies of some voided and skipped bond receipt slips were not retained, the transmittal of bond monies between persons was not adequately documented, and pre-numbered bond forms were not used. In addition, some bond forms could not be located and were incomplete. Also, bond receipt slips were not issued by jailers for some cash bonds collected, and a reconciliation of bond receipt slips issued by jailers to one write receipt slips issued by the Office Manager were not performed.

As a result of continued problems with records and inadequate reviews, the Sheriff and the Office Manager did not identify an unaccounted for \$500 cash bond received in December 2013, until we requested records for the AFTER program in January 2014. After we interviewed Sheriff's office personnel and reviewed various records, it was determined a former jailer was likely responsible for the missing bond monies, and some inmate monies and personal property items have not been accounted for properly. The records reviewed indicate various jailers and deputies were involved in the booking and release process and had access to inmate monies and property items, therefore, we cannot conclude as to who is responsible for the missing monies and property. We reviewed records pertaining to the handling of inmate monies and personal property items and identified various concerns. The results and conclusions are addressed in a letter to the New Madrid County Sheriff dated August 13, 2014.

In June 2014, the Sheriff established new policies and procedures regarding the booking of inmates, which provide for a review of bond forms and receipts by the Office Manager. On July 10, 2014, the County Commission approved closing the county jail for reasons unrelated to this follow-up work; the remaining prisoners were transferred to another county jail; and July 25, 2014, was the last day of employment for jail employees. The County Clerk indicated the County Commission will reevaluate the status of the jail during the 2015 budget process.

2.4 Concealed carry  
weapon fees

The Deputy did not maintain records to account for all CCW renewal monies received, did not account for the numerical sequence of CCW initial applications or reconcile the applications to CCW receipt slips and deposits, and only recorded \$50 as received on one-write receipt slips for some initial CCW applications when it was the Sheriff's policy to charge \$100. Additionally, the Sheriff's office had not disbursed to the County Treasurer CCW fees collected from March 2004 to February 2013. These funds were not budgeted or reported to the County Commission.



New Madrid County Sheriff  
Follow-up Report on Prior Audit Findings  
Status of Findings

---

**Recommendation**

The Sheriff ensure the CCW permit log is complete and accurate and reconciled to deposits, and CCW fees are disbursed to the County Treasurer monthly for deposit into the Sheriff's Revolving Fund.

**Status**

**Implemented**

The Sheriff's office is reconciling the CCW permit log maintained to deposits and is ensuring its accuracy. CCW fees collected from November 2013 through February 2014, were disbursed to the County Treasurer monthly.

**2.5 Civil and criminal process fees**

The Sheriff's office does not track civil and criminal process papers served or reconcile papers served to monies received. As a result, numerous unrecorded checks for civil and criminal process fees were substituted in deposits for recorded cash receipts and were not remitted to the County Treasurer. In addition, the Sheriff did not remit the full amount of Deputy Sheriff Salary Supplementation Fund (DSSSF) fees charged on civil process papers to the County Treasurer for disbursement to the State Treasurer as required by state law.

**Recommendation**

The Sheriff track civil and criminal process papers served and perform a comparison of papers served to the related fees collected and deposited. The Sheriff should disburse DSSSF fees in compliance with state law.

**Status**

**Partially Implemented**

The Sheriff's office is not performing a comparison of papers served to the related fees; however, the Office Manager is reconciling civil and criminal process fees collected to deposits. Civil and criminal process fees collected from November 2013 through February 2014 were disbursed to the County Treasurer monthly.

**2.6 Physical controls**

The Sheriff did not have physical controls over monies received, blank checks, and signature stamps.

**Recommendation**

The Sheriff maintain monies collected, blank checks, and signature stamps in a secure location, and review use of his facsimile stamps.

**Status**

**In Progress**

Monies collected, blank checks, and the signature stamps were located in a locking drawer or a lock box. However, during our February 2014 visit to the Sheriff's office, we noted the key to the locking drawer was easily accessible to other employees. The Office Manager also indicated the key to the lock box was sometimes left unsecured. A \$500 cash bond collected in December 2013 is believed to have been improperly taken from the lock box. The Office Manager indicated access to keys, monies collected, blank



New Madrid County Sheriff  
Follow-up Report on Prior Audit Findings  
Status of Findings

---

checks, and signature stamps has been further limited since the time of our visit.