



**Thomas A. Schweich**  
Missouri State Auditor

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**FOLLOW-UP REPORT ON  
AUDIT FINDINGS**

**Fifth Judicial Circuit**

**Buchanan County**

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**November 2014**  
**Report No. 2014-116**



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# Fifth Judicial Circuit, Buchanan County

## Follow-Up Report on Audit Findings

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\*Includes selected findings



# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge and Court en Banc  
and  
Circuit Clerk of the  
Fifth Judicial Circuit  
Buchanan County, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-041, *Fifth Judicial Circuit, Buchanan County*, issued in June 2014, 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 the written status of selected findings and recommendations and supporting documentation submitted by court officials, and held meetings with court officials. Documentation provided by the court included manual receipt slips, bank statements, Judicial Information System (JIS) reports, case files, ticket logs, and various other financial and court records. This report is a summary of the results of this follow-up work, which was substantially completed during October 2014.

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

Thomas A. Schweich  
State Auditor

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# Fifth Judicial Circuit, Buchanan County

## Follow-Up Report on Audit Findings

### Status of Findings

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**1.1 Accounting Controls and Procedures - Segregation of duties and supervisory review**      The Circuit Clerk had not adequately segregated accounting duties or limited user access rights in the JIS, and adequate supervisory reviews of accounting records were not performed. There were instances where the Circuit Clerk and other court employees could have been responsible for transactions from initial receipt to disbursement without involvement from other court employees.

**Recommendation**      The Circuit Clerk segregate accounting duties, limit user access rights in the JIS to only those necessary for the user to perform job duties, and implement appropriate reviews and monitoring procedures.

**Status**      **In Progress**

The Circuit Clerk indicated a supervisor who does not receive payments is preparing the daily deposits and preparing the monthly bank reconciliations. She said she attempted to restrict JIS user access rights for some employees, but she restored the original access rights when it was determined the employees lost access to other JIS functions necessary for their jobs. She indicated changes would have to be made within the JIS, or with job duties, in order to restrict user access in the future.

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**1.2 Accounting Controls and Procedures - Receipt processing procedures**      The Circuit Clerk had not ensured monies and related filings received were processed timely. The court had not issued receipt slips or recorded 845 checks and money orders, totaling \$53,582, in the JIS for monies on hand during a cash count conducted during July 15 through July 17, 2013. Some of these checks or money orders had been on hand for more than 3 weeks, and many of these checks or money orders were attached to unprocessed garnishment and new court filing applications. Of the checks and money orders made payable to the Circuit Clerk, we identified 12 checks had not been restrictively endorsed at the time of our cash count. A significant portion of these unprocessed receipts and related paperwork related to service fees for garnishment applications and new court filings. The court was not entering these checks or money orders into the JIS as non-monetary receipts, as recommended in the Office of State Courts Administrator (OSCA) Court Clerk procedure handbook.

**Recommendation**      The Circuit Clerk record and process all receipts and related paperwork timely and restrictively endorse all receipts immediately upon receipt. In addition, comply with OSCA guidance to record garnishments in the JIS timely.

**Status**      **Implemented**

The Circuit Clerk indicated receipts and related paperwork are now being processed timely. The Circuit Clerk implemented procedures requiring restrictive endorsements on all checks and money orders immediately upon



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receipt. In addition, any checks or money orders received by the court for garnishment applications now must be made payable to the Circuit Clerk's office, recorded in the JIS on the day received, and deposited that day. A check is then written to the applicable Sheriff for the garnishment service fee.

1.3 Accounting Controls  
and Procedures - Mail  
log

The Circuit Clerk had not established procedures to record mail receipts immediately upon receipt. Court employees did not record monies received in the mail on a mail log.

Recommendation

The Circuit Clerk require preparation of an initial record of monies received by mail and reconcile it to the JIS.

Status

**Not Implemented**

The Circuit Clerk indicated this recommendation has not been implemented. She indicated the office lacks the resources for court personnel to prepare an initial record of monies received by mail.

1.4 Accounting Controls  
and Procedures - Non-  
monetary, voided, and  
adjusting transactions

Neither the Circuit Clerk nor supervisors reviewed non-monetary, voided, and adjusting transactions in the JIS, and the court did not maintain adequate supporting documentation for these types of transactions. The Circuit Clerk and the 30 court employees had the ability to enter non-monetary transactions, and adjust costs in the JIS.

Recommendation

The Circuit Clerk ensure adequate documentation is maintained to support all non-monetary, voided and adjusting transactions, and ensure an independent review and approval of these transactions is performed and documented.

Status

**Implemented**

The Circuit Clerk and court personnel indicated clerks must now include documentation supporting voided transactions with daily cashier session reports. The Accounting Supervisor is responsible for reviewing these voided transactions on a regular basis, as well as any non-monetary or adjusting transactions posted to the system.

1.5 Accounting Controls  
and Procedures -  
Garnishment  
disbursements

The Circuit Clerk had not disbursed garnishments timely. The court's procedure was to disburse the garnishment receipts after the garnishment period (ranging from 30 to 180 days) ends, rather than within the 10-day holding period as established by Supreme Court rule.

Recommendation

The Circuit Clerk establish procedures to ensure garnishment payments are disbursed timely and in accordance with the Supreme Court rule.



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Status

**Implemented**

The Circuit Clerk indicated procedures have been established to ensure garnishment payments are disbursed timely and in accordance with the Supreme Court rule. Garnishment payments are now typically made within one day of receipt. The open items detail report provided for our review for October 14, 2014, showed no undistributed garnishment payments.

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1.6 Accounting Controls  
and Procedures -  
Outstanding checks

The Circuit Clerk had not developed adequate procedures to follow up on outstanding checks. As of July 31, 2013, JIS records indicated 117 checks, totaling \$23,180, had been outstanding for over a year. Sixty-eight of those checks had been outstanding for more than 2 years.

Recommendation

The Circuit Clerk develop procedures to routinely follow up on outstanding checks and reissue them if necessary or dispose of these monies in accordance with state law.

Status

**In Progress**

The Circuit Clerk indicated the court has been extremely busy with the implementation of e-filing in the JIS and she is working to establish procedures to follow up on outstanding checks and should have this process in place within 6 months.

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1.8 Accounting Controls  
and Procedures -  
Safeguarding assets

The court did not properly safeguard or limit access to case files, the Circuit Clerk's signature stamp, blank checks, and unprocessed receipts. Case files were maintained in boxes located on the floor in a hallway and were easily accessible to the public. Blank checks and the signature stamp were both maintained in areas accessible to multiple employees, some of which did not need these items to perform their job duties. In addition, employees who used the signature stamp did not initial to indicate use nor was there any review of the documents stamped.

Recommendation

The Circuit Clerk ensure court records, property, and monies are properly secured and safeguarded and controls are established over the signature stamp.

Status

**Implemented**

The Circuit Clerk indicated the case files have been moved to a secure area, and the Circuit Clerk's signature stamp, blank checks, and unprocessed receipts are now properly secured and safeguarded.