



Claire McCaskill

Missouri State Auditor

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December 2005

# Thirteenth Judicial Circuit

## Boone County, Missouri



Office Of  
Missouri State Auditor  
Claire McCaskill

December 2005

**The following findings were noted as a result of an audit conducted by our office of the Thirteenth Judicial Circuit, Boone County, Missouri.**

The Boone County Circuit Clerk collected various fees for criminal, civil, and traffic cases totaling approximately \$5,741,000 and \$5,912,000 for the years ended December 31, 2004 and 2003, respectively. An inactive bank account, with a balance of \$4,306, has remained open for approximately five years after a new bank account had been opened. Furthermore, this inactive account has not been included in the reconciliations to the open items (liabilities) listing. Additionally, child support monies sent to the Circuit Clerk's office are not receipted or recorded in any manner prior to being forwarded to Child Support Enforcement's Family Support Payment Center.

The Probate Division handled receipts totaling approximately \$143,700 and \$133,600 for the years ended December 31, 2004 and 2003, respectively. We found that receipts are not deposited in a timely manner.

The Juvenile Office received payments for restitution, in-home detention costs, informal family court fees, and fees from drug tests totaling approximately \$50,300 and \$62,600 for the years ended December 31, 2004 and 2003, respectively. Our audit noted:

- Receipts are not deposited or transmitted intact in a timely manner.
- The method of payment is not always recorded correctly on the receipt slips.
- Checks are not restrictively endorsed immediately upon receipt.
- Monthly listings of open items (liabilities) are not prepared for the restitution account, and consequently, liabilities are not reconciled with cash balances.
- The Juvenile Office voided 200 checks out of the 662 checks used during the two years ended December 31, 2004, often because the checks were placed into the laser printer incorrectly or the printer was used to print a document after the checks were placed in the printer.

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YELLOW SHEET

THIRTEENTH JUDICIAL CIRCUIT  
BOONE COUNTY, MISSOURI

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STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Presiding Judge and Court en banc  
and  
Circuit Clerk of the  
Thirteenth Judicial Circuit  
Boone County, Missouri

We have audited certain operations of the Thirteenth Judicial Circuit, Boone County, Missouri. The scope of this audit included, but was not necessarily limited to, the 2 years ended December 31, 2004. The objectives of this audit were to:

1. Review internal controls over significant financial functions.
2. Review compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

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

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the 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.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

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 Boone County and was not subjected to the procedures applied in the audit of the judicial circuit.

The accompanying Management Advisory Report presents our findings arising from our audit of the Thirteenth Judicial Circuit, Boone County, Missouri.



Claire McCaskill  
State Auditor

August 19, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Randall Gordon, CPA
In-Charge Auditor:	Susan M. Cessac
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MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

THIRTEENTH JUDICIAL CIRCUIT  
BOONE COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

**1. Circuit Clerk's Accounting Controls and Procedures**

An inactive bank account has not been closed nor is it included in the open items reconciliation. In addition, child support monies received are not receipted or recorded in any manner. The Circuit Clerk collected various fees for criminal, civil, and traffic cases totaling approximately \$5,741,000 and \$5,912,000 for the years ended December 31, 2004 and 2003, respectively.

- A. An inactive bank account, with a balance of \$4,306, has remained open for approximately five years after a new bank account had been opened. Furthermore, this inactive account has not been included in the reconciliations to the open items (liabilities) listing. At December 31, 2004, the reconciliation prepared indicated that the reconciled bank balance for the new account was \$1,809 less than the open items listing. Including the inactive bank account in the reconciliation would result in \$2,497 of unidentified monies.

The Circuit Clerk should ensure inactive bank accounts are closed timely, and only by reconciling the open items listings to the cash balances can the Circuit Clerk be assured the records are in balance and that sufficient cash is available to cover liabilities. Further, the Circuit Clerk should attempt to determine the reasons for this difference, and if proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with applicable statutory provisions.

- B. Child support monies sent to the Circuit Clerk's office are not receipted or recorded in any manner. Child support monies received are forwarded to Child Support Enforcement's Family Support Payment Center. To ensure receipts are properly accounted for, all child support monies received should be receipted or recorded on a log and the disposition of these monies should be documented in the office's records.

**WE RECOMMEND** the Circuit Clerk:

- A. Close the inactive bank account. In addition, the office should reconcile the open items listing to the cash balance. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with applicable statutory provisions.
- B. Establish procedures to record and account for all child support monies received.



**AUDITEE'S RESPONSE**

*The Circuit Clerk provided the following responses:*

- A. *The inactive bank account has been discussed with the Office of State Courts Administrator (OSCA) and OSCA is reviewing the information regarding the account. The unidentified monies could be due to child support monies received prior to the conversion to the JIS system. After OSCA provides additional information, we will close the inactive bank account and any monies remaining unidentified will be disbursed in accordance with statutory provisions.*
  
- B. *We will maintain a log of all child support monies received and forwarded to the Family Support Payment Center.*

**2. Circuit Clerk's Probate Division Accounting Controls and Procedures**

Receipts are not deposited in a timely manner. The Probate Division handled receipts totaling approximately \$143,700 and \$133,600 for the years ended December 31, 2004 and 2003, respectively. During the months of June and July 2004, receipts were generally deposited once a week and averaged approximately \$3,500. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100.

**WE RECOMMEND** the Circuit Clerk deposit all monies intact daily or when accumulated receipts exceed \$100.

**AUDITEE'S RESPONSE**

*The Circuit Clerk indicated deposits will be made daily or when accumulated receipts exceed \$100.*

**3. Juvenile Office's Accounting Controls and Procedures**

Receipts are not deposited or transmitted intact in a timely manner, the method of payment is not always recorded correctly on the receipt slips, and checks are not restrictively endorsed immediately upon receipt. In addition, a monthly open items listing is not prepared and a large number of checks are voided each year. The Juvenile Office received payments for restitution, in-home detention costs, informal family court fees, and fees for drug tests totaling approximately \$50,300 and \$62,600 for the years ended December 31, 2004 and 2003, respectively. Restitution payments and offense assessment fees received are deposited into separate bank accounts and all other monies collected are transmitted either to the Court Administrator or the Circuit Clerk.

- A. Receipts are not deposited or transmitted intact in a timely manner. During the months of May, June, and July 2004, restitution receipts were generally deposited twice a month and averaged approximately \$1,300. Restitution receipts totaling \$3,561, received from June 25, 2004 through July 28, 2004, were not deposited until August 13, 2004. Five transmittals averaging approximately \$870 were made for family court fees received from October 22, 2004 through December 2004. In addition, personal checks written by employees were cashed from restitution receipts resulting in receipts not being deposited intact.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits or transmittals should be made intact daily or when accumulated receipts exceed \$100, and the practice of cashing employee personal checks from office receipts should be discontinued.

- B. The method of payment (i.e., cash, check, or money order) is not always recorded correctly on the receipt slips. By not correctly recording method of payment, the composition of receipts cannot be reconciled to the composition of deposits or transmittals. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the method of payment should be correctly indicated on all receipt slips and the composition of receipts should be reconciled to the composition of deposits or transmittals.
- C. Checks are not restrictively endorsed immediately upon receipt. Endorsements are applied twice a month when the deposit is prepared by the Court Administrator or the Circuit Clerk, after monies have been transmitted by the Juvenile Office. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks should be restrictively endorsed immediately upon receipt.
- D. Monthly listings of open items (liabilities) are not prepared for the restitution account, and consequently, liabilities are not reconciled with cash balances. We prepared an open items listing as of July 15, 2005, and the reconciled bank balance for the restitution account exceeded the total of the open items listing by \$874.

Monthly listings of open items should be prepared and reconciled to cash balances to ensure records are in balance and that sufficient cash is available to cover liabilities. Further, the Juvenile Office should attempt to determine the reasons for this difference, and if proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with applicable statutory provisions.

- E. The Juvenile Office voided 200 checks out of the 662 checks used during the two years ended December 31, 2004. Most of the checks were voided because the checks were placed into the laser printer incorrectly or an employee inadvertently used the printer to print a document after the checks were placed in the printer.

These instances are preventable and create unnecessary added costs. The Juvenile Office should establish procedures to ensure that checks are printed correctly to minimize the number of checks voided.

**WE RECOMMEND** the Juvenile Office:

- A. Deposit or transmit all monies intact daily or when accumulated receipts exceed \$100 and discontinue the practice of allowing employees to cash personal checks.
- B. Ensure the method of payment is correctly indicated on all receipt slips and the composition of receipts is reconciled to the composition of deposits or transmittals.
- C. Restrictively endorse checks immediately upon receipt.
- D. Prepare monthly listings of open items and reconcile the listing to the cash balance. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with applicable statutory provisions.
- E. Establish procedures to ensure that checks are printed correctly to minimize the number of checks voided.

**AUDITEE'S RESPONSE**

*The Juvenile Officer provided the following responses:*

- A. *We are now depositing daily with deposits ranging from \$120 to \$140 each day. We have also discontinued the practice of allowing employees to write personal checks for cash.*
- B. *We have added check and cash columns to the receipt listing to indicate whether the monies received were cash or check. We are also using the receipt listing to reconcile the composition of receipts to the composition of deposits or transmittals.*
- C. *This has been implemented. We are now endorsing all checks or money orders when received.*
- D. *We have been investigating the unidentified monies in an attempt to identify who the monies belong to. We are also reconciling the open items listing monthly. Once we have completed our review of the unidentified monies, any monies remaining unidentified will be disbursed in accordance with applicable statutory provisions.*
- E. *We are reviewing this situation and considering various alternatives in order to reduce the number of checks voided.*

FOLLOW-UP ON PRIOR AUDIT FINDINGS

THIRTEENTH JUDICIAL CIRCUIT  
BOONE COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Thirteenth Judicial Circuit, Boone County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the 2 years ended December 31, 1998.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendation is not repeated, the judicial circuit should consider implementing this recommendation.

1. Criminal Costs

The Circuit Clerk did not submit criminal cost billings to the state for incarceration costs related to defendants where the court retained the option of granting probation to the defendant after 120 days, unless the defendant violated probation and returned to the Department of Corrections for the original sentenced period. As a result, thirty-one cases, involving billable incarceration costs of \$20,330, exceeded the two-year limit and could not be billed to the state and the revenue was lost to the county. In addition, forty-eight cases totaling \$27,780 were still billable as of October 1, 1999.

Recommendation:

The Circuit Clerk take timely action to ensure any unbillable costs pertaining to 120 day cases are billed to the state before the two-year limit expires. In addition, in the future, the Circuit Clerk should ensure all billable criminal costs are billed to the state on a timely basis.

Status:

Implemented.

2. Juvenile Office Accounting Controls and Procedures

- A. The Juvenile Office had not established adequate procedures to follow-up on checks which were outstanding for a considerable length of time.
- B. Receipts of the restitution account were not deposited on a timely basis.
- C. The Juvenile Office did not perform formal monthly bank reconciliations for the restitution account from May 1997 to April 1998. When the Juvenile Office began preparing the monthly reconciliations again, the office did not properly account for some old outstanding checks. This resulted in an incorrect adjustment to the checkbook balance, which overstated the account balance.

- D. Monthly listings of open-items (liabilities) were not prepared for any of the Juvenile Office's three bank accounts, and consequently, liabilities were not reconciled with the cash balances.

Recommendation:

The Juvenile Office:

- A. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed through the applicable statutory provisions. In addition, procedures to routinely review and reissue any old outstanding checks should be adopted.
- B. Deposit all receipts intact daily or when accumulated receipts exceed \$100.
- C. Correct the inaccurate checkbook register balance currently being used and perform monthly bank reconciliations, reconciling them to the corrected cash balance.
- D. Prepare monthly open-item listings and reconcile to the bank balances of each account. Differences between the open-items listings and the reconciled bank balances should be investigated.

Status:

- A. Partially implemented. Procedures have been established to periodically review outstanding checks and to reissue checks to payees who are located. In May 2005, many checks where the payees could not be located, were disposed of through the applicable statutory provisions. However, there are still two small checks over a year old that have not been resolved. Although not repeated in the current report, our recommendation remains as stated above.

B&D. Not implemented. See MAR finding number 3.

- C. Implemented.

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

THIRTEENTH JUDICIAL CIRCUIT  
BOONE COUNTY, MISSOURI  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

Organization

The Thirteenth Judicial Circuit consists of Boone County as well as Callaway County.

The Thirteenth Judicial Circuit consists of three circuit judges and six associate circuit judges. The circuit judges hear cases throughout the circuit. One circuit judge, elected biennially by secret ballot of the circuit and associate circuit judges, serves as the presiding judge and, therefore is responsible for the administration of the circuit. Of the six associate circuit judges, four are located in Boone County and preside over the Associate Circuit Court (Divisions IV, V, IX, and X). The other associate circuit judges are located in Callaway County.

In addition to the judges, the Thirteenth Judicial Circuit, Boone County personnel include a circuit clerk, a juvenile officer, forty deputy clerks, twelve deputy juvenile officers, twenty-six juvenile detention center employees, three court reporters (who also serve Callaway County), two court secretaries, a family court commissioner, a court administrator, and an assistant to the court administrator. The Juvenile Officer's home base is Boone County, but he also serves the residents of Callaway County.

Circuit personnel located in Callaway County are not included in the scope of this audit, but are reported on separately.

Operating Costs

The operating expenses for the juvenile office, including the juvenile detention center are paid for by Boone County. The operating expenses for the circuit judges and court reporters are paid for by Boone County and Callaway County based on the percentage of the county's population to the total circuit population. The salaries of all the court personnel, juvenile office, and juvenile detention center are paid for by the state of Missouri, except for the salaries of five court clerks, the Assistant to the Court Administrator, one of the Presiding Judge's support staff, eight court services employees, three information technology employees, two mental health court employees, ten court marshals, eight juvenile office employees, and five juvenile detention center employees, which are paid by Boone County.

Receipts

Receipts of the Thirteenth Judicial Circuit, Boone County, were as follows:

	Year Ended December 31,	
	2004	2003
Court deposits, fees, bonds, and other	\$ 5,741,415	5,912,918
Interest income	13,775	8,406
Total	\$ 5,755,190	5,921,324



Caseload and Time Standards Statistics

From the Office of State Courts Administrator Missouri Judicial Reports, caseload statistics of the filings and dispositions of the Thirteenth Judicial Circuit, Boone County, were as follows:

	Year Ended June 30,			
	2004		2003	
	Filings	Dispositions	Filings	Dispositions
Civil	8,266	7,918	7,371	7,090
Criminal	11,203	11,022	10,095	9,809
Juvenile	1,144	770	1,159	1,192
Probate	456	442	575	563
Total	21,069	20,152	19,200	18,654

From the Office of State Courts Administrator Missouri Judicial Report for fiscal year 2004, statistics on the compliance of the Thirteenth Judicial Circuit, Boone County, with time standards for disposition of certain types of cases were as follows:

Type of Case	Time Standard	Thirteenth Judicial Circuit Boone County, Missouri	State Total
Circuit Civil	90 % in 18 months	81 %	78 %
	98 % in 24 months	89	87
Domestic Relations	90 % in 8 months	90	85
	98 % in 12 months	96	91
Associate Civil	90 % in 6 months	92	86
	98 % in 12 months	99	97
Circuit Felony	90 % in 8 months	96	82
	98 % in 12 months	98	91
Associate Criminal	90 % in 4 months	67	73
	98 % in 6 months	90	85

Personnel

At December 31, 2004, the judges, Family Court Commissioner, Circuit Clerk, Juvenile Officer, and Court Administrator of the Thirteenth Judicial Circuit, Boone County, were as follows:

Gene Hamilton, Presiding Circuit Judge, Division I  
 Gary Oxenhandler, Circuit Judge, Division II  
 Ellen S. Roper, Circuit Judge, Division III  
 Jodie Capshaw Asel, Associate Circuit Judge, Division IV  
 Larry Bryson, Associate Circuit Judge, Division V  
 Sara Miller, Family Court Commissioner, Division VIII

Christine Carpenter, Associate Circuit Judge, Division IX  
Christopher S. Kelly, Associate Circuit Judge, Division X  
Cheryl Whitmarsh, Circuit Clerk  
Rick Gaines, Juvenile Officer  
Kathy Lloyd, Court Administrator

An organization chart follows:

THIRTEENTH JUDICIAL CIRCUIT  
 BOONE COUNTY, MISSOURI  
 ORGANIZATION CHART  
 DECEMBER 31, 2004

