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Missouri State Auditor

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# Twenty-First Judicial Circuit

## City of Florissant Municipal Division

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June 2010

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**Susan Montee, JD, CPA**  
Missouri State Auditor

# YELLOW SHEET

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## Findings in the audit of the Twenty-First Judicial Circuit, City of Florissant Municipal Division

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### Bond Procedures

The municipal division does not adequately follow-up on cash bonds held for an extended period of time. As of November 30, 2009, 1,617 cash bonds, totaling \$582,755, had been held by the municipal division in excess of a year. Two bonds held at November 30, 2009, dated back to 1990.

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### Municipal Division Receipts

Improvements in receipting controls and procedures are needed. Some monies received are not deposited intact and the numerical sequence of receipt slips issued is not accounted for properly.

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# Twenty-First Judicial Circuit

## City of Florissant Municipal Division

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**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

Presiding Judge  
Twenty-First Judicial Circuit  
and  
Municipal Judge  
Florissant, Missouri

We have audited certain operations of the City of Florissant Municipal Division of the Twenty-First Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended November 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, 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 Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Florissant Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Florissant, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Susan Montee, JD, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
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In-Charge Auditor:	Carl Zilch, Jr., CIA
Audit Staff:	Albert Borde-Koufie, MBA

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# Twenty-First Judicial Circuit

## City of Florissant Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Bond Procedures**

The municipal division does not adequately follow up on cash bonds held for an extended period of time. As of November 30, 2009, 1,617 cash bonds, totaling \$582,755, had been held by the municipal division in excess of one year. The Court Clerk indicated bonds are held if the forfeiture is appealed by the surety, the case is sent to the collection agency, or the case is active. Two bonds held at November 30, 2009, dated back to 1990. For one case reviewed, a \$1,400 cash bond was posted by a surety in January 1996, and the defendant entered into a payment plan in May 1996. The defendant never made a payment on the fines and court costs assessed by the judge, and a warrant was again issued for his arrest in June 1996. There has been no activity since the warrant was issued; however, the cash bond is still held by the municipal division.

A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid to the city treasury as provided by Section 479.210, RSMo. In addition, bonds on hand for which the defendant has failed to make payments as agreed should be applied to outstanding costs. The municipal division should review its policy of holding bonds upon the appeal of the surety. Sureties have no motivation to ensure the defendant appears at court if the bond monies will not be forfeited as allowed.

#### **Recommendation**

The City of Florissant Municipal Division follow up on cash bonds held for an extended time. In addition, the Municipal Division should forfeit bonds when the defendant fails to appear at court as provided by state law, and consider applying bonds when the defendant fails to make the agreed upon payments.

#### **Auditee's Response**

*The Municipal Division provided the following written response:*

*These cases are being reviewed for Judgements. The court is also reviewing the procedures with the collection service and payment program for prior bond payments to be incorporated.*

*Bonds are monitored constantly. After all court dates, any cases with a bond are set for a forfeiture hearing. Forfeiture hearing letters are sent to defendants, sureties, if different from the defendant and the attorney if any. If the defendant, surety or attorney appears at the hearing, the case is disposed. All bond forfeiture procedures are followed as stipulated by the State of Missouri.*

*Cases with bonds can also be set on a Payment program or if a defendant's case is sent to a collection service the procedures are as follows:*

*Payment Programs: Defendants that are in active payment plans with a bond on the case are set up to make monthly payments and once the balance is equal to the bond the bond is applied and the case is closed.*



*Collection Cases: Cases that have been placed with the collection service are set up to pay the collection company. Once paid the bond is returned.*

## 2. Municipal Division Receipts

Improvements in receipting controls and procedures are needed. Some monies received are not deposited intact and the numerical sequence of receipt slips issued is not accounted for properly. For two of five deposits reviewed, the composition of cash and checks deposited did not agree to the composition recorded on the daily session report (receipt report).

- For one deposit reviewed, there was a \$200 discrepancy in the composition per the daily session report and the bank deposit slip. Additional information obtained from the bank indicated a \$200 personal check had been cashed by one of the assistant court clerks.
- In another deposit reviewed, there was a \$100 discrepancy in the composition per the daily session report and the bank deposit slip. Additional information obtained from the bank and discussion with the Court Clerk revealed the municipal division cashed a \$100 bond refund check for a defendant, who used the cash to pay various city fees.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, and to provide assurance all receipts are accounted for properly, receipts should be deposited intact; the composition of monies received, daily session reports, and deposit slips should be reconciled and documented; and the numerical sequence of receipt slips issued should be accounted for properly. In addition, checks should not be cashed from official court receipts.

### Recommendation

The City of Florissant Municipal Division deposit all receipts intact daily, discontinue cashing checks, and reconcile the composition of receipts to the composition of deposits. In addition, the Municipal Division should account for the numerical sequence of receipt slips issued.

### Auditee's Response

*The Municipal Division provided the following written response:*

*We deposit daily and all daily balances are balanced with the cash and checks taken in by the court. The total deposit on the daily balance equals the total deposit made.*

*The difference in the cash/check composition is due to several factors:*

*A defendant may pay fines and costs and recoupment all together with a check or money order. The fines and costs are paid in the court and a receipt is computer generated. The recoupment is taken out by cash and sent to the city along with a prenumbered city receipt as procedure. Once the recoupment is received by the city, they generate a receipt and send a copy back to the court.*



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*A defendant may pay for a returned check by sending in a money order or cashier's check and the returned check fee is again taken out and sent to the city along with a prenumbered city receipt as procedure.*

*A bond refund check is written and is cashed for several reasons:*

*If a defendant owes recoupment/bad check fees that are to be turned over to the city.*

*If the bond returned check is for a minimal amount as \$1.00 or \$.50. At the last audit it was ruled that we could cash bond return checks that were under \$25.00.*

*We contacted the Regional Justice Information System and they have added a sort order to the payment report to include by receipt number and this report is ran daily and checked for continuous receipt numbers.*

*When the composition of cash/checks is different than the deposit, we are marking the daily balance with the reason along with back up information on the case.*

*We are currently looking into the procedure for collecting bad check fees/recoupment fees with the city's finance department. We no longer allow cashing of personal checks. The municipal court is audited by an outside auditing company every year along with the city and there has been no record of fraud or missing monies as in this audit by the state.*

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# Twenty-First Judicial Circuit

## City of Florissant Municipal Division

### Organization and Statistical Information

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The City of Florissant Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At November 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Timothy W. Kelly
Court Clerk	Anna L. Davis

#### Financial and Caseload Information

	Year Ended November 30, 2009
Receipts	\$2,190,891
Number of cases filed	25,612