



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section
1520 Market St., Suite 3005
St. Louis, Missouri 63103-2630
(314) 657-3490
Fax: (314) 552-7670

FILE COPY

May 01, 2014

James W. Murphy, Sheriff
Civil Courts Building
10 North Tucker Blvd
St. Louis, MO 63101

RE: Revenue Review of Sheriff Fees – Sheriff's Office (Project #2014-RRV04)

Dear Sheriff Murphy:

Enclosed is the Internal Audit Section's revenue review report of the Sheriff Fees collected by Sheriff's Office for the period January 1, 2013 through December 31, 2013. A description of the scope of our work is included in the report.

Fieldwork was completed on March 13, 2014. Management's responses to the observations and recommendations noted in the report were received on April 24, 2014 and have been incorporated in the report.

This review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure:

cc: Captain Raymond Harris, Commander of Administration – Civil Courts
Lt. Michael Hudson, Deputy Sheriff



CITY OF ST. LOUIS

SHERIFF'S OFFICE

REVENUE REVIEW

JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

PROJECT #2014-RRV04

DATE ISSUED: MAY 01, 2014

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

EXECUTIVE SUMMARY

Purpose

The purpose was to determine if the Sheriff's Office effectively and efficiently manages risks to ensure:

- The accomplishment of established objectives and goals.
- Compliance with applicable laws, regulations, and policies and procedures.
- All revenue is recorded and reported in a timely manner.
- The proper safeguarding of assets.
- The reliability and integrity of financial and operational information.

Scope and Methodology

The scope of the review included revenues from January 1, 2013 through December 31, 2013. The review was confined to evaluating internal controls over the fiscal activities relating to the objectives noted above. The review procedures included:

- Inquiries of management and staff.
- Observations of relevant processes.
- Reviews for compliance with policies and procedures, as well as applicable laws and regulations.
- Limited tests of controls.
- Follow-ups on prior audit observations.
- Other procedures considered necessary.

Background

The Sheriff's Office collects fees which are collectively referred to as Sheriff's Fees. They include:

1. Cash Box Levying – An execution in which money is seized from the debtor, usually at the debtor's place of business, for failure to pay civil judgment debt. The injured party files a writ of execution with the Circuit Clerks office to administer civil proceedings. The writ is recorded and tracked using the State of Missouri Justice Information System (JIS), which the Sheriff's Office has access.
2. Eviction – An execution to remove a tenant from a rental property. The injured party files a writ of execution with the Circuit Clerks office. The suit is recorded and tracked using the State of Missouri Justice Information System (JIS). Normally, evictions are performed by the Sheriff's Office 10 days after the notice is given to the tenant to vacate the rental property.
3. Fee for Deeds: Recording fee for deeds on the sale of property.

Exit Conference

An exit conference was conducted at the Sheriff's Office on April 9, 2014. The Sheriff's Office was represented by the Commander of Administration-Civil Courts and a Deputy Sheriff. The Internal Audit Section was represented by the Audit Supervisor and the Auditor-In-Charge.

Conclusion

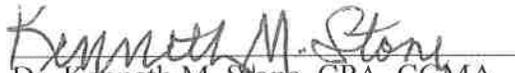
There are some positive internal controls noted during the review of the Sheriff's Office. They include the following

- Customers who paid cash were issued sequenced pre-numbered receipts. A carbon copy is secured along with the moneys in a cash box and locked in a secure location.
- The Cashier, a Deputy Sheriff, is the only individual allowed to handle the cash once received.
- The cash and checks collected are deposited the next business day.
- The Office maintains log sheets of daily fee transactions. The log sheets are reconciled to the Cashier's collections for the day and the cash register X and Z tapes. The log sheets are maintained by a Deputy Sheriff who is independent of the cash receipt process.
- Reports summarizing the daily transactions are provided to a Lieutenant Deputy Sheriff for review.
- Monthly reconciliations of the Sheriff's Office depository bank account were performed by a Deputy Sheriff who was independent of the cash receipt process.
- Management has developed written policies and procedures for cash handling, evictions, executions, and replevins.

The opportunity exists for the Sheriff's Office to improve controls over fiscal activities. The following observation resulted from the review:

- Opportunity to file quarterly reports with the Comptroller's Office.

This observation is discussed in more detail in the *Detailed Observations, Recommendation, and Management's Responses* section of this report.


Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive


Date

**CITY OF ST. LOUIS
SHERIFF'S OFFICE
REVENUE REVIEW
JANUARY 1, 2013 THROUGH DECEMBER 31, 2013**

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OBSERVATIONS

Status of Prior Observations

The Internal Audit Section (IAS) followed up on two observations included in the report issued August 21, 2013 and two observations from Missouri State Auditor report issued March 2010.

The status of each observation is as follows:

Internal Audit Section:

1. Opportunity to improve daily cash receipts accounting controls. (Resolved)
2. Opportunity to improve documentation of internal control procedures. (Resolved)

Missouri State Auditor:

1. Opportunity to prepare an initial record of monies received. (Resolved)
2. Opportunity to develop procedure to resolve outstanding checks. (Resolved)

Summary of Current Observation

- Opportunity to file quarterly reports with the Comptroller's Office.

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity to File Quarterly Reports with the Comptroller's Office

The Sheriff's Office does not file with the Comptroller's Office an itemized statement of all fees, commissions, and emoluments collected as well as all taxed and unpaid fees due and payable to the Sheriff. The statements are due on the last day of March, June, September, and December along with an itemized statement of all expenses incurred.

Section 57.490 of the Missouri Revised Statutes states that the Sheriff's Office:

"...shall file with the Comptroller of said city on the last day of March, June, September, and December of each year, or as soon thereafter as possible, in such form as the Comptroller may direct, itemized statements of all said fees, commissions and emoluments collected by him, and also an itemized statement of all taxed and unpaid fees due and payable to the Sheriff at the close of each of the above mentioned quarterly periods, together with an itemized statement of all expenses incurred by him."

The Sheriff's Office was not aware of Section 57.490 of the Missouri Revised Statutes as revised on August 30, 2013. Therefore, the Sheriff's Office is not in compliance with State of Missouri Revised Statutes.

Recommendation:

IAS recommends that management set in place procedures to capture and report to the Comptroller's Office on a quarterly basis an itemized statement detailing

- Fees, commissions, and emoluments collected.
- All taxed and unpaid fees due and payable to Sheriff's Office
- All expenses incurred.

Management's Response:

We were not made aware of Section 57.490 of the Missouri Revised Statutes as revised on August 30, 2013. Even though traditionally we send the Treasurer's office a monthly report.

In the future we will make quarterly reports to the Comptroller's office. The reports will include the three bullet points as listed on the detailed observation, recommendations and management's response page. Which are:

- 1. Fees, commissions, and emoluments collected.*
- 2. All taxed and unpaid fees due and payable to Sheriff's Office.*
- 3. All expenses incurred.*

This process will be implemented at the next quarterly cycle.