



To Honorable County Council
Honorable Sheriff Scott Lewis

February 9, 2017

The Sheriff's Department examination opened July 14, 2016 has been completed, and the final report is being issued today. The scope of the review covered January 1, 2015 through June 30, 2016. Fieldwork for the review was completed on August 26, 2016, and our report reflects the results of work performed through that date. Responses were received on February 8, 2017.

The objectives of the review were to determine whether internal controls were adequate and effective, operations and records were in compliance with established standards, regulations, policies and procedures, and resources were being used efficiently.

The examination covered Civil Process, Courthouse Services, and Prisoner Transport. We reviewed the internal control environment surrounding those activities, as well as performed an evaluation of the effectiveness and efficiency with which department objectives are being achieved. In addition, reviews for compliance with the County Charter and Ordinances, Missouri Statutes, and internal policies and procedures were performed.

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and consisted of examining, on a test basis, sufficient evidence to afford a reasonable basis, for our opinion.

In our opinion, except for the opportunities included in this report, internal controls were adequate and effective and operations and records were in compliance with established standards.

The issuance of this report completes the formal examination process. However, if you wish to discuss any aspects of the audit or report, please contact me.

Brent Statler

Brent R. Statler, CPA, CGAP
County Auditor

Attachment

Copy Joann Leykam, Director of Administration



**Sheriff's Department
Examination Report
Opened July 14, 2016**

Scope January 1, 2015 – June 30, 2016

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BACKGROUND AND INTRODUCTION

Authority and Activity:

The Sheriff's Department was created by Section 4.1300 of the County Charter and amended by a vote of the County citizens in November 2012. The amended Department began operating on January 1, 2015, and the new scope of duties covered services necessary for the operations of the courts for which the County is responsible. These duties include prisoner transport, civil process, bailiffs, court services, and security and matters relating to jurors.

The Department is divided into three divisions. The Prisoner Transport Division is responsible for transporting prisoners and fugitives to and from the County Corrections Center. The Civil Process Division serves court documents within the boundaries of St. Charles County. The Court Services Division consists of clerks in Jury Services and the Fines Collection Booth, Bailiffs, and Court Security Officers. Security services are provided at the County's Courts Administration Building, Juvenile Justice Center, and Municipal Court.

The Sheriff's Department's program mission as stated in the 2016 budget is as follows:

Provide law enforcement services necessary for the operations of the Circuit Court. 2016 budget, pg. 173.

Funding:

The primary funding for the Sheriff’s Department is provided by the general revenue fund. Additional funding is provided by the Civil Process Fees Fund. The historical funding for the Sheriff’s Department is presented below.

Sheriff’s Department General Revenue Fund – Expenditures Fiscal Years 2011-2016†								
Fiscal Year	Salaries & Benefits	% Increase	Operating Expenditures	% Increase	Capital Expenditures	% Increase	Total Expenditures	% Increase
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	\$3,017,124	N/A	\$155,637	N/A	\$8,674	N/A	\$3,181,435	N/A
2016*	\$3,423,270	13.5%	\$297,250	91.0%	\$59,500	586.0%	\$3,780,020	18.8%

† Prior to 1/1/15, the Sheriff’s Department and Police Department were combined as a single department. No data is presented for that time period due to the lack of distinct expenditure amounts.

Sheriff’s Department Civil Process Fees Fund (269) – Expenditures Fiscal Years 2011-2016								
Fiscal Year	Salaries & Benefits	% Increase	Operating Expenditures	% Increase	Capital Expenditures‡	% Increase	Total Expenditures	% Increase
2011	\$0	N/A	\$17,877	N/A	\$54,791	N/A	\$72,668	N/A
2012	\$0	0.0%	\$22,745	27.2%	\$57,018	4.1%	\$79,763	9.8%
2013	\$0	0.0%	\$34,845	53.2%	\$58,534	2.7%	\$93,379	17.1%
2014	\$0	0.0%	\$25,375	-27.2%	\$69,160	18.2%	\$94,535	1.2%
2015	\$0	0.0%	\$4,087	-83.9%	\$41,958	-39.3%	\$46,045	-51.3%
2016*	\$0	0.0%	\$15,000	267.0%	\$45,699	8.9%	\$60,699	31.8%

‡ Includes interfund transfers.

Revenues generated by the Sheriff’s Department are deposited in the general revenue fund. Additional revenues are deposited in the Civil Process Fees Fund. The historical funding is presented below:

Sheriff’s Department General Revenue Fund – Revenues Fiscal Years 2011-2016						
Fiscal Year	Civil Process Fees	Prisoner Transport/ Court Services Reimbursements	Grant Revenue	Interfund Transfers	Total Revenue	Fees Collected by the Sheriff as a Percentage of Expenditures
2011	\$553,099	\$115,019	\$0	\$0	\$668,118	N/A
2012	\$482,323	\$141,092	\$0	\$0	\$623,415	N/A
2013	\$395,775	\$128,381	\$0	\$0	\$524,156	N/A
2014	\$373,648	\$144,645	\$0	\$0	\$518,293	N/A
2015	\$356,661	\$105,593	\$8,443	\$41,958	\$512,665	16.1%
2016*	\$361,000	\$132,400	\$0	\$45,699	\$539,099	14.3%

Sheriff’s Department Civil Process Fees Fund (269) – Revenues Fiscal Years 2011-2016				
Fiscal Year	Civil Process Fees	Other Revenue	Total Revenue	Fees Collected by the Sheriff as a Percentage of Expenditures
2011	\$50,000	\$1,729	\$51,729	71.2%
2012	\$50,000	\$916	\$50,916	63.8%
2013	\$50,000	\$466	\$50,466	54.0%
2014	\$50,000	\$199	\$50,199	53.1%
2015	\$50,000	\$2,433	\$52,433	113.9%
2016*	\$50,000	\$50	\$50,050	82.5%

* These are the approved budget amounts from the 2016 budget.

Staffing:

The number of full-time equivalent authorized positions for the Sheriff’s Department increased (2.2%) from 45.00 full-time positions in 2015 to a total of 46.00 full-time budgeted employees in 2016.

II. STATUS BOARD

The status board provides a summary of the Sheriff’s Department’s functions and processes. Each cell located under a function represents an activity that is to be completed to ensure that the process is performed in an effective and efficient manner. The color of the cells represents the assessment regarding completion of the activity. The legend below gives a description of the definition of each color.

- Red indicates management's immediate attention is required.
- Yellow indicates an opportunity for improvement exists.
- Green indicates there is no action necessary at this time.
- Blue indicates a process that was not included in the scope of the review.
- Grey indicates a County issue that should be addressed by management, but is not necessarily a direct responsibility of the audited department/office.

Serving Documents	Replevins and Property Auctions	Court Services	Prisoner Transport	Jury Services	Fines Collection	Administrative
Papers with payment for service come to the office, are sorted by type, and given to the appropriate clerk to enter into ITI.	The Sheriff’s Department receives papers to be served from the courts.	The Court Services Division includes Bailiffs and Court Security Aides (CSA).	The Division transports or extradites prisoners to/from court and the 22 MO penitentiaries.	Judges’ clerks are contacted monthly to determine trial dates, times, and the # of jurors needed.	Daily collections by the Fines Collections Booth are turned over to the Circuit Clerk’s accounting division.	Payroll (A1, A2)
Papers (original and service copy) are date stamped and Return of Service form is created.	Papers are served and property may be seized based on the type of case.	Bailiffs are assigned to a courtroom and are responsible for order and safety within the court.	Transports can also occur out of state (writs), sometimes handled by a contracted company.	The # of required jurors is entered into the State-run Juror Management System to generate names of citizens for jury duty.	The money is recounted in front of the clerks and compared to session reports.	Purchasing
Payments and original paper are stored until serving is completed.	The Sheriff only maintains order for evictions, but does not assist in the eviction.	Bailiffs complete monthly reports for tracking cases and requesting State reimbursement.	Transport requests come from the courts or other law enforcement agencies.	Summons for jury duty are mailed out with a barcode unique to each citizen.	All verified money is compiled and placed a sealed bag for deposit. (A4)	Training
The service copy and form are given to a process server based on serving location.	Seized property can be returned if the debt is repaid before the court deadline.	The reimbursements are processed by Civil Process and the Circuit Clerk.	All requests are sent through County Dispatch.	A questionnaire is included in the summons.	The bags are stored in a safe until pick-up by Brinks Security.	Property Management

Serving Documents	Replevins and Property Auctions	Court Services	Prisoner Transport	Jury Services	Fines Collection	Administrative
Servers attempt to serve the paper and record the service info on the form.	If the party is not repaid, the property is sold at auction.	CSAs secure the entrance to the Courts Administration Building, Juvenile Justice Center, and Municipal Court.	A Certificate of Delivery is received for in-State transports and is necessary for processing reimbursements.	Returned questionnaires are reviewed to determine if any citizens must be excused.	Credit card payments are processed through Municipay with service fees added to the payment amount.	
The form is returned to the clerk and info is entered into ITI and typed on the original paper.	A notice of sale is posted in a local paper and the item will be sold to the highest bidder with cash in hand.	The CSAs operate the x-ray machines at the entrance of the buildings.	Transports are tracked by the Division Lieutenant, who also arranges contracted agency transports.	Excused jurors are mailed a notification card and JMS is updated.	The accounting division is notified when the money is transferred electronically.	
The payment and original paper are given to an account clerk to be receipted.	For real estate auctions, a Notice of Levy on Real Estates must be filed with the Recorder of Deeds.	3 CSAs are on duty at all times at the Courts Administration Building.	Reimbursement claims for transports are sent to the State each month.	Jurors not excused for duty must call an information hotline to determine if their trial has been cancelled.	Case information in JIS is updated to reflect that payment was received.	
The fee to serve papers is \$20 plus a \$10 State fee plus a mileage fee of \$0.55 per mile.	Real estate auctions are held on Fridays on the courthouse steps.	2 CSAs run the overlapping shifts at the Juvenile Justice Center.	Reimbursements are wired to the Finance Department.	The hotline is updated daily by Jury Services.	Reports are run throughout the month to verify collections and disbursements.	
Papers from the Prosecuting Attorney are served without a fee.	After the sale, a sales report is completed and a Sheriff's Deed is filed with the Recorder for real estate.	CSAs are present at Muni Court during scheduled court sessions.	A petty cash fund is used for advances or reimbursements of expenses incurred by deputies on out-of-county transports.	Citizens reporting for duty are given color-coded badges and the summons barcode is scanned to mark attendance.	The reports are used for monthly bank reconciliations.	
If necessary, a check request is created for overpayments or an invoice is created for underpayments.	The Sheriff can receive 5% of the first \$500 of the sale amount and 4% of any amount over \$500.		A reimbursement form and original detailed receipts are submitted by the Deputies. (A3)	The scanned barcodes automatically enter the juror's info for payroll.		
The original paper and a receipt are given to the server to be signed.			Documentation is retained and payments are tracked in a log. (A3)	Jurors must follow the same check-in procedures each day of their trial.		

Serving Documents	Replevins and Property Auctions	Court Services	Prisoner Transport	Jury Services	Fines Collection	Administrative
Signed documents are returned to the court and office copies are scanned and filed.				After the trial, a payroll file is created by JMS and sent to the Finance Dept. so that checks can be mailed.		

III. EXECUTIVE SUMMARY

Following is a summary of opportunities for improvement which were noted during our review of the Sheriff's Department:

A. Control Opportunities

1. Prisoner Transport: In a review of overtime charged to Prisoner Transport it was noted that: 1) several instances of overtime could not be verified with a specific transport due to insufficient information; 2) six (33.3%) out of eighteen transports reviewed had instances where that reported start time was greater than 30 minutes prior to the enroute time; and 3) thirteen (54.6%) out of twenty-four transports reviewed had the end of the charged duty-time exceed the booking time by at least thirty minutes.
2. Payroll: In a review of Sheriff's Department payroll it was noted that: 1) the Administrative Assistant does not receive schedules and/or timesheets to use for payroll entry; 2) leave and additional pay forms were not submitted to the Sheriff for approval prior to the leave taken; and 3) seven (5.0%) out of twenty leave forms reviewed were entered as scheduled leave when the employee did not submit the leave form until the date of the absence.
3. Prisoner Transport Petty Cash Fund: A sample of Prisoner Transport Petty Cash Fund replenishments revealed that several were not processed timely, adequately supported, or traced to the Department's log book
4. Fines Collection Booth: In a review of the Fines Collection Booth it was noted that procedures are not consistent among the Fines Clerks and they do not have a sufficient change fund to adequately provide change to customers.

Control – Prisoner Transport

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>Sheriff’s Department Prisoner Transport Deputies complete transports of prisoners to and from the County Department of Corrections (DOC). The Police Department Dispatchers will notify Deputies when a transport is needed. The Deputy will notify Dispatch throughout the transport to document when they are enroute to the location, have the prisoner in custody, are returning to DOC, etc. Once the deputy arrives at DOC with the prisoner, they will complete all required paperwork so that the prisoner can be booked. After the transport, the Deputies also complete a report of their activities for internal tracking purposes. If the Deputy worked overtime during the transport, they will complete an overtime form that is reviewed and approved by the Prisoner Transport Sergeant, Lieutenant, and Sheriff before it is submitted to the Administrative Assistant for payroll entry.</p>	<p>The following was noted during a review of Sheriff’s Department overtime:</p> <ol style="list-style-type: none"> 1) Several instances of overtime could not be verified with a specific transport due to insufficient information provided on the overtime form and/or transport reports; and 2) Several on-call (overtime) transports start and end times exceeded thirty minutes prior to departure time and after prisoner booking. <p><u>Note 1:</u> Of the eighteen dispatch-verified transports reviewed, there were six (33.3%) transports where the reported start time was greater than thirty minutes prior to the enroute time; whereas, three were greater than one hour with the longest at 2.7 hours.</p> <p><u>Note 2:</u> There were thirteen (54.6%) of twenty-four verified transports where the end of the charged duty-time exceeded 30 minutes after the booking time. There were five instances where the time was greater than one hour, with the longest at 1.4 hours.</p>	<p>Opportunity for improved documentation. Employees may be receiving unearned overtime pay.</p>	<p>The Sheriff’s Department should ensure that:</p> <ol style="list-style-type: none"> 1) Overtime forms and transport reports include sufficient documentation regarding the duties completed during the shift; and 2) Reported overtime hours accurately reflect the hours worked. 	<p>I concur with your recommendations. In approximately May of 2016 I began requiring additional detail to be included on overtime request forms. Forms should now include location prisoner was transported from, prisoner’s last name and associated report number. Additionally, a daily activity report is to be completed by each deputy transporting prisoners and those reports are kept on the sheriff’s shared drive so they can be reviewed by supervisory staff and the sheriff’s administrative assistant.</p> <p>As a result of information provided by the county auditor, an internal investigation was conducted into the possibility overtime funds were inappropriately paid. Appropriate disciplinary action was taken.</p>

Control - Payroll

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>All Sheriff's Department employees complete leave and overtime forms which are submitted to their supervisor(s) for review. After approval, the forms are given to the Administrative Assistant. Several days prior to payroll entry, the forms are submitted to the Sheriff for final review. Following his approval, the Administrative Assistant will enter the leave and overtime based on the forms. The Time Entry Proof is printed and then reviewed and approved by the Sheriff before it is sent to the Finance Department for further processing.</p> <p>The Sheriff's Department's Paid Time Off (PTO) policy states that employee leave is considered unscheduled if the supervisor is notified less than 24 hours prior to the absence, with the following exceptions: 1) inclement weather, 2) PTO is authorized by supervisor and minimum manpower is met for the shift, and 3) early departure or late arrival with prior approval of supervisor.</p>	<p>The following was noted during a review of Sheriff's Department payroll:</p> <ol style="list-style-type: none"> 1) The Administrative Assistant does not receive schedules and/or timesheets to use for payroll entry; and <p><u>Note 1:</u> Currently, no employees complete a timesheet. The Court Services Division has a schedule, but this is not provided to the Administrative Assistant.</p> <ol style="list-style-type: none"> 2) Leave and additional pay forms were not submitted to the Sheriff for approval prior to the leave taken. <p><u>Note 2:</u> Seven (35.0%) of the twenty leave forms reviewed were entered as scheduled leave when the employee did not submit the leave form until the date of the absence.</p> <p><u>Note 3:</u> It's unclear if the leave met the criteria of the exceptions listed in the Department Policy due to the documentation available.</p>	<p>Opportunity for improved payroll documentation and review.</p>	<p>The Sheriff's Department should ensure that:</p> <ol style="list-style-type: none"> 1) Schedules and/or timesheets are properly completed and submitted to the Administrative Assistant to use for payroll entry; and 2) Properly completed payroll forms are submitted for all approvals in a timely manner. 	<p>I will review what form(s) other county departments are using to properly document and review payroll.</p> <p>For the first four months after I took office as sheriff, I was located in a temporary office in the Highway Department. Overtime and leave request forms were approved at the division commander level (Lieutenant) and forwarded to the payroll clerk at the police department for processing. Upon the relocation of my staff and the hiring and training of my administrative assistant I began reviewing them, approximately June of 2015. In all cases the leave forms should have been approved by the division commander prior to the leave being taken.</p> <p>Scheduled and unscheduled leave is determined by department policy and is now documented on the leave request form.</p>

Control - Prisoner Transport Petty Cash Fund

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Sheriff’s Department maintains a petty cash fund for the Prisoner Transport Division. Deputies submit reimbursement request forms and receipts for expenses (meals, tolls, parking, etc.) incurred when transporting prisoners. The forms and documentation are reviewed by the Division Sergeant and then sent to the Corporal in charge of the fund to pay out the reimbursements. The Department's Administrative Assistant may also assist in processing reimbursements. All reimbursements are tracked in a log book that is manually maintained by the Corporal and Administrative Assistant. Deputies initial the log next to their reimbursements when receiving payment.</p> <p>The fund is replenished through the Finance Department's petty cash fund by submitting a Petty Cash Reimbursement Form and all reimbursement requests and corresponding documentation.</p> <p><u>Note:</u> The Sheriff implemented a new written policy on 8/15/16.</p>	<p>A sample of Prisoner Transport Petty Cash Fund replenishments revealed that several were not processed timely, adequately supported, or traced to the Department's log book.</p>	<p>Opportunity for improved documentation, increased accuracy of records, and compliance with County policies. Funds may be lost, misappropriated, or used for unauthorized purchases.</p>	<p>The Sheriff’s Department should:</p> <ol style="list-style-type: none"> 1) Replenish the fund to its stated balance, tracking any overages and shortages; 2) Ensure that reimbursement requests are properly reviewed and supported; and 3) Require reimbursement requests to be submitted in a timely manner. 	<p>I concur with your recommendation. As noted in your report I established General Order 07-10 on 08-15-16 and at that time reassigned responsibility for petty cash and other provisions of this G.O. to Cpl. Frank Spencer.</p>

Control – Fines Collection Booth

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Fines Collection Booth is operated by one clerk from the Circuit Court and one clerk from the Sheriff’s Department. The clerks collect traffic fines, criminal fines, and bond payments. Payments can be made using cash, money order, cashier check, and credit card. Credit card payments are processed through MunicIPAY, a third-party vendor.</p> <p>Each clerk has a change fund of \$150 that is provided by the County. The change funds are used to provide change for cash transactions, and to also break larger bills for other customers and employees.</p> <p>The Fines Collection Booth does not collect payments for the Civil Division. The Civil Division collects their own payments; however, they require that customers make exact payments. If a customer does not have the exact cash amount, they are sent to the Fines Collection Booth to get change.</p>	<p>The following was noted during review of the Fines Collection Booth:</p> <p>1) Procedures are not consistent among the Fines Clerks; and</p> <p><u>Note 1:</u> Differing procedures include accepting or denying partial payments and retaining or destroying the Credit Card payment report.</p> <p>2) Clerks in the Fines Collection Booth do not have a sufficient change fund to adequately provide change to customers.</p> <p><u>Note 2:</u> Clerks may keep the prior day's deposit (or several days’ deposits) in their change drawer to trade out the larger bills for smaller bills when a fine is paid. Deposits may not be turned in to the Court's Accounting Division until all of the small bills have been traded out (typically 1-2 days).</p>	<p>Opportunity for consistent processing of transactions.</p> <p>Opportunity for timely deposits.</p> <p>Potential for funds to be lost or misappropriated.</p>	<p>The Sheriff should request additional funds for the Fines Collection Booth change fund and work with the Circuit Clerk to develop one set of operating procedures.</p>	<p>I concur with your recommendations. Adequate planning was not conducted prior to the creation of the county police department on January 1, 2015. The entire administrative support staff became part of the police department and the sheriff’s department had no staff to process payroll, personnel, training, fiscal management, property control, records, evidence, etc. Upon the retirement of one of the fines collection office staff, the position was not filled and an administrative assistant position was created. The Circuit Clerk was not consulted in this decision and she placed a member of her staff in the office resulting in one staff member being a county employee reporting to the sheriff and one state employee reporting to the circuit clerk.</p> <p>Upon reviewing your findings and recommendations I have met with circuit clerk and her</p>

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
				<p>staff and procedures manual has been adopted by both offices. Funds available in the cash drawers have been sufficiently increased.</p>