



Thomas A. Schweich
Missouri State Auditor

Fortieth Judicial Circuit

City of Pineville Municipal Division

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<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Fortieth Judicial Circuit, City of Pineville Municipal Division

Background	On June 7, 2012, the Office of the State Auditor received substantial, credible evidence from the McDonald County Prosecuting Attorney alleging missing monies at the City of Pineville Municipal Division. Because of the severity of the allegations, the State Auditor activated the Auditor's Swift Assessment Program to gather evidence and ensure its preservation.
Missing Monies	Between June 2010 and May 2012, cash receipts totaling at least \$19,648 were received but not deposited. In addition, some essential records documenting amounts received and case and ticket dispositions could not be located. These problems along with correspondence with several defendants indicated additional funds totaling at least \$1,648 could also be missing.
Accounting Controls and Procedures	Money handling duties were not adequately segregated from recording transactions, and there was no independent supervisory review of the former Court Clerk's work. There was no independent review to ensure manual receipt slips were properly entered in the Justice Information System (JIS) and subsequently deposited, receipts were not recorded timely or deposited timely and intact, and manual receipt slips were not always issued in numerical sequence. The method of payment was not always recorded on manual receipts slips and did not always match the JIS. Receipt slips were not issued for 52 checks and money orders totaling \$11,006 on hand on June 7, 2012, although dates on these items ranged from December 2005 to May 2012. The former Court Clerk did not always issue warrants in accordance with the Municipal Judge's procedures and did not generate a list of unpaid fines and costs for the Judge's review. The former Court Clerk adjusted the amount of fines and costs in the JIS without obtaining independent approval, and some adjustments were not adequately documented. A monthly list of all cases heard was not prepared and filed with the city, as required by state law.
Municipal Division Procedures	Neither the city Marshal's office nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued, and some tickets issued were not recorded in the JIS. Procedures were not in place to ensure ticket information entered in the JIS was always approved by the City Prosecutor. Audit staff identified 48 instances in which ticket information entered in the JIS by the former Court Clerk did not agree with the information in the defendant's case file or with the City Prosecutor's list of amended and dismissed tickets. The former Court Clerk did not consistently or accurately document the final disposition of each case on the court dockets in the JIS, and the Municipal Judge did not review and document his approval of some court dockets. The municipal division and the city do not have adequate ongoing procedures to track tickets issued on state or federal highways located in the city, and the related fines and court costs collected, to determine whether excess revenues should be remitted to the state in accordance with state law.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and
Reinvestment Act
(Federal Stimulus)

The Fortieth Judicial Circuit, City of Pineville Municipal Division did not receive any federal stimulus monies during the audited time period.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Fortieth Judicial Circuit

City of Pineville Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	4
Background	

Management Advisory Report - State Auditor's Findings	1. Missing Monies5 2. Accounting Controls and Procedures7 3. Municipal Division Procedures11
---	--

Organization and Statistical Information	16
---	----

Supporting Documentation for Missing Cash Receipts	17
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THOMAS A. SCHWEICH

Missouri State Auditor

Presiding Judge
Fortieth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
City of Pineville, Missouri

We have audited certain operations of the City of Pineville Municipal Division of the Fortieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. A request for an audit was received from the Presiding Circuit Judge after city officials provided credible evidence of missing municipal division monies. The State Auditor evaluated the information provided and determined the concerns met the criteria for activating the Auditor's Swift Assessment Program. The scope of our audit included, but was not necessarily limited to, the 6 months ended June 30, 2012, and the 2 years ended December 31, 2011. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.
3. Determine the extent of monies missing from the municipal division.
4. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained by municipalities from traffic violations occurring on state and federal highways.

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. We also 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.

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.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) missing monies totaling at least \$19,648, and (4) no instances of noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pineville Municipal Division of the Fortieth Judicial Circuit.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Fortieth Judicial Circuit

City of Pineville Municipal Division

Introduction

Background

On June 7, 2012, the Office of the State Auditor received substantial, credible evidence from the McDonald County Prosecuting Attorney alleging missing monies at the City of Pineville Municipal Division. As a result, the State Auditor immediately activated the Auditor's Swift Assessment Program (ASAP).¹

On June 7, 2012, the State Auditor's office met with the Presiding Circuit Judge, McDonald County Prosecuting Attorney, and City Prosecuting Attorney. At this time, the Presiding Circuit Judge formally requested an audit of the municipal division. After this meeting, auditors conducted interviews with the City Clerk and Mayor; gathered and secured municipal division records including manual receipt books and printed reports from the Justice Information System (JIS), the Missouri Courts automated case management system; and documented a cash count of 52 checks on hand dated between December 15, 2005, and May 24, 2012, totaling \$11,006.

According to the City Clerk, the former Court Clerk was hired by the city on May 3, 2010, to serve in the position of Court Clerk and Water Clerk. In November 2011, the duties of Water Clerk were reassigned to another city employee. On June 1, 2012, the former Court Clerk was terminated for reasons not related to the suspected missing monies. On June 4, 2012, the City Clerk, began preparing for a June 19, 2012, court session, and found case files in disarray, undeposited checks payable to the municipal division dated months prior, and instances where tickets had never been entered into the JIS. On June 5, 2012, the City Clerk identified monies received using manual receipt slips which did not appear to be recorded in the JIS or deposited. After further review of municipal division records, city officials contacted the McDonald County Prosecuting Attorney.

¹ The State Auditor activates the ASAP when there is substantial, credible evidence to believe there is:

- (1) Fraud, violations of state or federal law, rule or regulation, or significant misappropriation, mismanagement, or waste of public resources; or
- (2) Significant risk of loss of confidence of the people in their government due to fiscal abuse or mismanagement; and
- (3) The need for immediate action to preserve relevant evidence and/or prevent continued harm.

Fortieth Judicial Circuit

City of Pineville Municipal Division

Management Advisory Report - State Auditor's Findings

1. Missing Monies

Between June 2010 and May 2012 municipal division cash receipts totaling at least \$19,648 were received but not deposited. In addition, some essential records documenting amounts received and case and ticket dispositions could not be located by the municipal division. These problems with records, along with correspondence with various defendants, indicate additional funds totaling at least \$1,648 could also be missing. See the Supporting Documentation for Missing Cash Receipts section at the end of this report for details regarding undeposited cash receipts and possible additional missing monies. The former Court Clerk was primarily responsible for receipting, recording, and depositing all monies received by the municipal division; however, in her absence, other city employees would issue manual receipt slips for monies received and hold those monies for recording and depositing by the former Court Clerk upon her return.

Undeposited cash receipts

Cash receipts totaling \$19,142 recorded on 104 manual receipt slips issued by various personnel of the city and the former Court Clerk for fines and court costs were not recorded in the Justice Information System (JIS), the Missouri Courts automated case management system, or deposited.

In addition to this amount, the former Court Clerk issued 6 manual receipt slips totaling \$2,118; however, only \$1,612 of this amount was recorded in the JIS and deposited. The remaining \$506 was not deposited and is missing.

Possible additional missing monies

A review of available court records showed the handling of various tickets was contrary to established court procedure, records were incomplete, and case activity was unusual. Defendants of these cases were sent confirmation letters requesting case information and documentation of any payments made. The resulting oral and written correspondence with various defendants identified cash payments totaling at least \$1,648 in fines and costs which may have been made, but were not receipted using manual receipt slips, recorded in the JIS, or deposited.

- A defendant indicated a \$182 cash payment was made in January 2011; however, our audit work indicated the related ticket was not recorded by the former Court Clerk in the JIS and the monies were not deposited. A photocopy of the ticket was located in court records and was stamped paid. The stamp used was also utilized by the city to record water payments received. The stamp indicates the method of payment (cash or check), "PAID", the date of payment, and the "City of Pineville". The former Court Clerk was also responsible for the collection of water payments during this time period.

We identified a photocopy of a different ticket was also stamped "PAID" using this same stamp. The stamp showed a received date of January 2010; however, the ticket was issued in December 2010, with a court date in January 2011. This payment was not recorded by the



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

former Court Clerk in the JIS. The fine and court cost schedule indicated \$140 was due for the related offense; however, we were unable to contact the defendant to confirm if payment was made or trace these monies to a deposit.

- A defendant indicated a \$140 cash payment was made in December 2010, but no receipt slip was provided to the defendant by the municipal division. Our review of manual receipt slips indicated manual receipt number 7869 was issued by the former Court Clerk on December 14, 2010, to this defendant for \$140; however, the word "void" was written in blue ink on the duplicate copy of the manual receipt, the original copy of the manual receipt slip was not retained, and the receipt was not recorded in the JIS or deposited.

Additionally, during our review of other manual receipt slips, another manual receipt slip was "voided" in this same manner. Receipt number 7766 was issued by the former Court Clerk on September 10, 2010, to a defendant for \$182 cash, and the duplicate copy of the manual receipt slip had been marked void in blue ink. This receipt was also not recorded in the JIS or deposited. However, we were unable to contact the defendant to confirm whether payment was made.

- Two other defendants indicated cash payments totaling \$304 were made on tickets dated April 22, 2011, and August 17, 2010; however, the defendants could not provide any documentation of payment. The ticket dated April 22, 2011, was not recorded in the JIS and the ticket dated August 17, 2010, was suspended in the JIS in May 2011 by canceling future court activity. When case activity is suspended, the case no longer appears on the docket.
- Another defendant indicated a \$700 cash payment was made on April 19, 2011, the same date the JIS indicates the related case activity was suspended. The defendant (an out of state resident) also provided documentation showing \$700 in cash was withdrawn from personal bank accounts at a bank branch in the City of Pineville on April 19, 2011; however, the defendant was unable to provide a paid receipt. This payment was to be applied to fines and costs due for three separate tickets issued to the defendant.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight, as discussed in the remainder of this report, resulted in the failure to detect missing monies on a timely basis.

Recommendation

The City of Pineville Municipal Division work with law enforcement officials regarding any possible criminal prosecution related to the missing funds, including restitution. In addition, an attempt should be made to locate



or recover the missing court records and documents to determine whether additional monies are missing.

Auditee's Response

The City of Pineville Municipal Judge provided the following written response:

I can assure you that all parties involved with the City of Pineville through my position, the clerk, the mayor's office, and the law enforcement within the city will cooperate fully with any investigation with the prosecutor's office for criminal proceedings, and we will provide any assistance, testimony, or input required by the prosecutor's office or the state to bring this matter to a rightful conclusion.

2. Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures of the municipal division. According to the JIS, fines and costs collected during the 6 months ended June 30, 2012, and the years ended December 31, 2011, and 2010, were approximately \$112,000, \$308,000, and \$312,000, respectively.

2.1 Segregation of duties

The duties of receiving and depositing monies were not adequately segregated from recording transactions. The former Court Clerk was primarily responsible for all duties related to the collection of monies, posting fines and court costs received into the JIS, and deposit preparation. Neither the Municipal Judge nor other city officials independent of the cash custody and record keeping functions provided any supervision or review of the work performed by the former Court Clerk.

To reduce the risk of possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of work performed by the Court Clerk is necessary.

2.2 Receipting, recording, and depositing procedures

Receipting, recording, and depositing procedures were inadequate. Manual receipt slips were often issued for monies paid to the court; however, no formal written policy has been established documenting when the use of manual receipt slips is appropriate and a separate receipt book was not maintained for municipal division monies received. The city located five receipt books, originally containing 1,255 receipt slips. We determined 455 of these manual receipt slips related to municipal division activity. The remainder were issued for city receipts, some were not used at all, and both copies of some were torn from the book leaving no documentation of their use. The manual receipt slips used for municipal division activity were dated between February 16, 2010 and June 28, 2012.



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

Fines and court costs were usually collected, recorded in the JIS, and deposited into the municipal division bank account by the former Court Clerk. The former Court Clerk often used manual receipt slips to initially record collections. When the former Court Clerk was not available, fines and court costs were collected by city personnel including the City Clerk and Deputy Clerk, who wrote manual receipt slips and transmitted the monies to the former Court Clerk for recording in the JIS and deposit.

- There was no independent review to ensure manual receipt slips were properly recorded in the JIS and subsequently deposited. At least 110 manual receipt slips totaling \$19,648 were either not recorded or were not accurately recorded in the JIS and deposited. Had a review been performed, the missing monies may have been detected.
- Manual receipt slips were not recorded in the JIS on a timely basis or deposited timely or intact. Of the 455 manual receipt slips reviewed, only 345 had date of receipt documented; of which, 65 (19 percent) were not recorded in the JIS for 2 or more days. In addition, while the average time between receipt and recording was 4 days, and receipt and deposit was 5 days, we noted examples where timeframes for processing and depositing monies far exceeded these averages. For example, one manual receipt slip issued for cash on October 10, 2010, was not recorded in the JIS and deposited until February 15, 2011, 137 days later. In another example, a manual receipt slip issued for cash on June 21, 2011, was not recorded in the JIS and deposited until August 16, 2011, 56 days later.
- Generic rediform manual receipt slips, instead of official receipt slips, were issued for monies received, manual receipt slips were not always issued in numerical sequence, and the same series of manual receipt slips were used to receipt both municipal division and city monies. For example, receipt number 265584 was issued on August 2, 2011, for city monies and receipt number 265585 was issued on May 12, 2011, for municipal division monies.
- The method of payment was not recorded on 70 of the 455 manual receipt slips reviewed, and the method of payment recorded on manual receipt slips did not agree to the method of payment recorded in the JIS for 8 of the 455 receipt slips reviewed. In addition, the payee was not always documented on manual receipt slips; the duplicate copy of some manual receipt slips had been altered to change the amount paid, date paid, method of payment, and payor; and some duplicate copies were not readable.
- Receipt slips were not accounted for properly. In addition to the 455 manual receipt slips reviewed, we noted both copies of 60 manual receipt slips were torn from the receipt books and not retained. Of the



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

455 manual receipt slips reviewed, the top copy of 8 blank manual receipt slips were torn from the receipt books and not retained, and the top copy of 10 voided manual receipt slips were torn from the receipt books and not retained. Also, manual receipt slips issued prior to February 16, 2010, could not be located by the municipal division, and the numerical sequence of the JIS receipt slips issued was not accounted for properly.

- Neither manual nor JIS receipt slips had been issued for 52 checks and money orders totaling \$11,006 on hand during a cash count conducted on June 7, 2012. In addition, the checks and money orders were dated between December 15, 2005, and May 24, 2012, and had not been restrictively endorsed.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for all monies received. The use of manual receipt slips should be limited; however, when their use is necessary, official, prenumbered manual receipt slips should be utilized and processes implemented to account for the numerical sequence and proper and timely recording in the JIS.

2.3 Unpaid fines and costs

The Municipal Judge indicated procedures for processing and collecting monies due on tickets were established and orally communicated to the former Court Clerk. However, described procedures were not followed by the former Court Clerk. According to the Municipal Judge, if a defendant is a Missouri resident and meets the Judge's criteria for living locally (based upon the distance between the address of a defendant and the City of Pineville) but has failed to pay amounts due or appear in court, he orders a warrant be issued. However, a warrant had not been issued for 11 of 13 Missouri residents who met this criteria and had failed to pay amounts due or appear in court. These 11 cases were suspended by the former Court Clerk in the JIS (see MAR finding number 3).

In addition, while a list of unpaid fines and costs is maintained in the JIS, the former Court Clerk did not generate this report for the Municipal Judge's review. At our request, the Office of State Courts Administrator (OSCA) provided a report of unpaid fines and costs which totaled \$54,550 as of July 25, 2012.

To ensure proper and timely follow-up action is taken on unpaid fines and costs, the municipal division should establish procedures and confirm procedures are followed. This helps maximize municipal division collections and provides equitable treatment for those citizens who are paying fines and court costs when due.



2.4 Adjustments

Adjustments in the JIS were not properly documented or reviewed by someone independent of receipting, recording and depositing duties. The former Court Clerk adjusted the amount of fines and costs due in the JIS without obtaining independent approval, and adequate documentation of such adjustments was not retained. Some of the missing monies identified in MAR finding number 1 were concealed by adjustments made in the JIS. To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance adjustments are accounted for properly. Adjustments should be supported by adequate documentation and reviewed and approved by someone independent of cash custody and record keeping functions to ensure such adjustments are appropriate.

2.5 Report of cases heard

A monthly list of all cases heard was not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division, including the names of the defendants and fines and court costs imposed, and the list to be verified by the Court Clerk or Municipal Judge and filed with the city.

Recommendations

The City of Pineville Municipal Division:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 2.2 Establish procedures to ensure all manual receipt slips are subsequently posted to the JIS, and ensure all monies are deposited timely and intact. The use of manual receipt slips should be limited. In addition, the composition of receipt slips should be reconciled to the composition of deposits, and checks and money orders should be restrictively endorsed upon receipt.
- 2.3 Develop adequate procedures to account for and follow up on unpaid fines and costs.
- 2.4 Require an independent review and approval of all adjustments made in the JIS, and retain adequate documentation to support adjustments.
- 2.5 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.



Auditee's Response

The City of Pineville Municipal Judge provided the following written response:

I have in general terms reviewed the newly implemented procedures through employees and Municipal Court Division in the City of Pineville with the Mayor, the City Clerk and new court personnel. I would certainly urge and encourage all parties to comply with your suggestions and recommendations under 2.1 through 2.5, and if those procedures have not already been implemented or are in place, follow up to make sure they are complied with and continued to be complied with in the future, and that all those suggestions are appropriate and would lead to regular assurance that the incidences which caused this investigation not re-occur in the future.

The City Clerk of Pineville provided the following written responses:

- 2.1 Due to a limited availability of staff, duties could not be further segregated; however, we have established documented supervisory reviews to ensure transactions are properly recorded.*
- 2.2 We have purchased pre-printed official manual receipt slips to use when necessary and have established procedures to reconcile the composition and amount of monies recorded on manual receipt slips to JIS batch reports and daily deposits. We now restrictively endorse all checks and money orders upon receipt.*
- 2.3 We have established procedures to ensure all follow up activity, including the issuance of warrants, is completed in a timely manner.*
- 2.4 We will ensure supporting documentation is maintained for all adjustments made in the future and will discuss options for review and approval of adjustments made in the JIS system with OSCA.*
- 2.5 We have implemented procedures to file a monthly report with the city as required.*

3. Municipal Division Procedures

Municipal division procedures related to ticket accountability, amended and dismissed charges on tickets, case dispositions, and monitoring of excess revenues need improvement.

3.1 Ticket accountability

Neither the city Marshal's office nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of traffic tickets issued. Although the Marshal's office maintains a log to account for ticket books assigned to police officers, some ticket books assigned to officers were not posted to the log. In addition, neither copies of tickets nor a list of all tickets issued or voided by the Marshal's office was maintained. The Marshal submitted the tickets to the Court Clerk and the Court Clerk



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

recorded the tickets issued in the JIS. The ticket number is recorded as the case number in the JIS. The failure to account for all tickets issued helped conceal the missing funds noted in MAR finding number 1.

During our review of tickets, we identified 65 tickets issued during the period June 2010 through June 2012 by the Marshal's office which were not recorded in the JIS. Of these 65 tickets, the municipal division copy of 30 tickets could not be located, and 19 tickets were filed with an inaccurate case number. The remaining 16 tickets were filed with the Associate Circuit Court, voided, or dismissed by the City Prosecutor. Using the police officer copy of tickets issued, we were able to identify 9 of the 30 missing tickets involved missing funds noted in MAR finding number 1.

Without a proper accounting of the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Marshal's office cannot be assured all tickets issued are properly submitted for processing.

3.2 Amended and dismissed charges on tickets

Procedures were not in place to ensure ticket information entered in the JIS was always approved by the City Prosecutor (such as amended charges, changes in fines and costs, and dismissals). We identified 48 instances in which ticket information entered in the JIS by the former Court Clerk did not agree with the information in the defendant's case file or with the City Prosecutor's list of amended and dismissed tickets.

- For 17 tickets shown as amended in the JIS, there was no evidence the City Prosecutor approved the amendments. According to reports generated by the OSCA, the former Court Clerk entered the amended charges into the JIS for 16 of these 17 tickets.
- For 3 tickets, the amended fine and cost documented on the ticket (approved by the City Prosecutor) or on the City Prosecutor's list of amended tickets did not agree to the fine and cost amount entered in the JIS.
- For 13 tickets, amended charges approved by the City Prosecutor were not recorded in the JIS.
- For 15 tickets shown as dismissed in the JIS, there was no evidence the City Prosecutor approved the dismissal.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, a procedure should be established to ensure amended charges, changes in fines and costs, and dismissals are approved by the City Prosecutor and properly recorded in the JIS.

3.3 Case disposition

The former Court Clerk did not consistently or accurately document the final disposition of each case on the court dockets in the JIS. In addition, the



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

Municipal Judge does not review and document his approval of court dockets for traffic tickets paid at the violation bureau, and the Municipal Judge does not review or document his approval of other court dockets after case dispositions are recorded in the JIS.

It is the standard procedure of the municipal division to suspend case activity in the JIS for any traffic violation issued to out of state residents, and Missouri residents meeting the Judge's criteria of distance between the defendant's address and the City of Pineville, because the Judge will not issue warrants for these defendants. When case activity is suspended, the case no longer appears on the docket. Neither the City Prosecutor nor the Municipal Judge provided adequate oversight or documented their approval of this process to ensure tickets were handled properly.

We obtained case disposition reports from the OSCA which identified at least 84 cases that were suspended because the former Court Clerk did not enter case activity in the JIS and at least 206 cases that were suspended because the former Court Clerk canceled a future court date and did not reschedule a new court date. At least 23 of these cases had missing monies noted in MAR finding number 1.

The municipal division should establish procedures to ensure the proper disposition of all cases has been entered in the JIS and has been reviewed and approved by the Municipal Judge and the City Prosecutor.

3.4 Monitoring of excess revenues

The municipal division and the city do not have adequate ongoing procedures to track tickets issued on state or federal highways located in the city, and the related fines and court costs collected, to determine whether excess revenues should be distributed to the Department of Revenue (DOR). Section 302.341.2, RSMo, requires municipalities deriving more than 35 percent of annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to remit the excess to the DOR, to be distributed to schools of the county.

During the year ended December 31, 2011, the city's total general operating revenue decreased nearly \$670,000 because the DOR withheld local option use tax monies collected between May and December 2011 to pay a refund of approximately \$1 million due to a specific company. The city evaluated if excess revenues had been collected and determined no excess revenues were payable to the DOR. The city's audited financial statements for 2011 indicate fines and court costs totaled \$271,834, representing approximately 35.5 percent of the city's general operating revenues of \$764,938. However, fines and court costs included violations which did not occur on state or federal highways. Therefore, it is important the city and the municipal division work together to monitor for excess revenues.



Procedures to monitor the location of each traffic violation and the related fines and costs are necessary to ensure compliance with Section 302.341.2, RSMo.

Recommendations

The City of Pineville Municipal Division:

- 3.1 Work with the city Marshal's office to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
- 3.2 Develop procedures to ensure all amended and dismissed tickets, and tickets for which fines and costs have been adjusted, are approved by the City Prosecutor and properly posted to the JIS.
- 3.3 Ensure the proper disposition of cases is documented. The Municipal Judge should review and document his approval of the recorded disposition of all cases. In addition, the City Prosecutor or Municipal Judge should review and document their approval of suspended out of state or area resident tickets recorded.
- 3.4 Work with the City of Pineville to track the collection of fines and court costs for traffic violations on the state and federal highways to ensure compliance with the excess revenue state law.

Auditee's Response

The City of Pineville Municipal Judge provided the following written response:

I believe these are all good ideas, and I have already had informal communication with the Marshal's office, employees of the city, new court personnel, and the mayor's personnel to make sure these safeguards are in place and that all recommended and mandatory procedures concerning the operation of the municipal court, and particularly record keeping and notification to the proper local, state, and out of state authorities is implemented.

The City Clerk of Pineville provided the following written responses:

- 3.1 *The Marshal's office and the court have both established ticket logs to account for the numerical sequence of tickets issued and filed with the court. The disposition of every ticket is tracked on the court's log and any breaks in the numerical sequence will be followed up on immediately.*
- 3.2 *We are working to establish new procedures with the city Prosecuting Attorney to ensure all amendments, dismissals, and adjustments are properly approved and recorded in the JIS.*



Fortieth Judicial Circuit
City of Pineville Municipal Division
Management Advisory Report - State Auditor's Findings

- 3.3 *We now ensure the Municipal Judge documents the disposition and his approval on all court dockets including suspended cases.*
- 3.4 *We will continue to monitor the collection of fines and costs for traffic violations and ensure compliance with the excess revenue state law.*

Fortieth Judicial Circuit

City of Pineville Municipal Division

Organization and Statistical Information

The City of Pineville Municipal Division is in the Fortieth Judicial Circuit, which consists of Newton and McDonald Counties. The Honorable Timothy W. Perigo 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 June 30, 2012, the municipal division employees were as follows:

Title	Name
Municipal Judge	James Paul
Interim Court Clerk (1)	Melissa Ziemianin

(1) Andrea Faidley served as Court Clerk from May 3, 2010, until her termination on June 1, 2012.

Financial and Caseload Information

	6 Months Ended	Year Ended December 31,	
	June 30, 2012	2011	2010
JIS Receipts	\$ 112,243	307,840	312,109
Number of cases filed	861	2,082	2,312

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Fortieth Judicial Circuit, City of Pineville Municipal Division, did not receive any federal stimulus monies during the 6 months ended June 30, 2012, and 2 years ended December 31, 2011.

Fortieth Judicial Circuit

City of Pineville Municipal Division

Supporting Documentation for Missing Cash Receipts

The following table provides supporting documentation for the cash receipts totaling \$19,142 recorded on 104 manual receipt slips for fines and court costs that were not recorded in the Justice Information System (JIS), the Missouri Courts automated case management system, or deposited as discussed in Management Advisory Report (MAR) finding number 1.

Undeposited Cash Receipts

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
June 30, 2010	265334	Former Court Clerk	\$ 50
July 19, 2010	265357	Former Court Clerk	80
August 13, 2010	265402	Former Court Clerk	70
August 17, 2010	265410	City Clerk	60
October 6, 2010	7794	Former Court Clerk	232
October 14, 2010	7799	Deputy Clerk	182
October 27, 2010	7828	Former Court Clerk	282
October 29, 2010	7830	Former Court Clerk	140
November 4, 2010	7834	Former Court Clerk	182
November 9, 2010	7837	City Clerk	140
November 12, 2010	7840	City Clerk	140
November 15, 2010	7845	City Clerk	232
November 15, 2010	7847	Former Court Clerk	232
November 29, 2010	7859	Former Court Clerk	82
December 1, 2010	7861	Former Court Clerk	232
December 15, 2010	7872	Former Court Clerk	140
December 23, 2010	7889	Former Court Clerk	75
January 7, 2011	7906	City Clerk	100
January 18, 2011	265417	Former Court Clerk	115
February 14, 2011	265429	Former Court Clerk	117
February 15, 2011	265430	Former Court Clerk	175
February 15, 2011	265432	Former Court Clerk	140
February 15, 2011	265438	Former Court Clerk	280
February 18, 2011	265445	Former Court Clerk	107
February 18, 2011	265446	Former Court Clerk	115
February 18, 2011	265447	Former Court Clerk	25
April 18, 2011	265476	Former Court Clerk	240
May 12, 2011	265585	Former Court Clerk	140
May 16, 2011	265503	Former Court Clerk	140
May 17, 2011	265511	Former Court Clerk	100
May 23, 2011	265515	Former Court Clerk	60
June 27, 2011	265544	Former Court Clerk	200
July 6, 2011	265563	Former Court Clerk	50
August 2, 2011	265586	Former Court Clerk	300
August 15, 2011	245401	Former Court Clerk	182
August 18, 2011	234006	Deputy Clerk	115



Fortieth Judicial Circuit
City of Pineville Municipal Division
Supporting Documentation for Missing Cash Receipts

Undeposited Cash Receipts
(continued)

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
September 14, 2011	245415	Former Court Clerk	\$ 382
September 16, 2011	245417	Former Court Clerk	182
September 20, 2011	245419	Former Court Clerk	345
September 20, 2011	245425	Deputy Clerk	126
September 23, 2011	245428	Former Court Clerk	444
September 29, 2011	245429	Former Court Clerk	140
September 30, 2011	245430	Former Court Clerk	82
October 6, 2011	245598	Former Court Clerk	140
October 17, 2011	245432	Former Court Clerk	282
October 18, 2011	245433	Former Court Clerk	165
October 18, 2011	245434	Deputy Clerk	50
October 18, 2011	245435	Former Court Clerk	208
October 18, 2011	245436	Deputy Clerk	350
October 18, 2011	245437	Deputy Clerk	150
October 18, 2011	245438	Former Court Clerk	141
October 18, 2011	245440	Deputy Clerk	25
November 3, 2011	245442	Former Court Clerk	142
November 4, 2011	245443	Former Court Clerk	432
November 4, 2011	245599	Former Court Clerk	165
November 15, 2011	245449	Deputy Clerk	232
November 15, 2011	245450	Deputy Clerk	175
November 18, 2011	245451	Former Court Clerk	32
November 23, 2011	245453	Former Court Clerk	240
December 2, 2011	245454	Former Court Clerk	150
December 2, 2011	245455	Former Court Clerk	165
December 5, 2011	245456	Former Court Clerk	150
December 8, 2011	245457	Former Court Clerk	182
December 9, 2011	245458	Former Court Clerk	12
December 14, 2011	245459	Former Court Clerk	200
December 14, 2011	245460	Former Court Clerk	157
December 20, 2011	245463	Former Court Clerk	677
December 23, 2011	245464	Former Court Clerk	140
January 3, 2012	245465	Former Court Clerk	150
January 6, 2012	245466	Former Court Clerk	128
January 6, 2012	245467	Former Court Clerk	182
January 13, 2012	245468	Former Court Clerk	60
January 16, 2012	245469	Former Court Clerk	105
January 17, 2012	245470	Former Court Clerk	75
January 17, 2012	245471	Former Court Clerk	100
January 23, 2012	245472	Former Court Clerk	140
February 3, 2012	245473	Former Court Clerk	90



Fortieth Judicial Circuit
City of Pineville Municipal Division
Supporting Documentation for Missing Cash Receipts

Undeposited Cash Receipts
(continued)

Date Received	Manual Receipt Number	Receipt Issuer	Amount Received
February 3, 2012	245474	Former Court Clerk	\$ 282
February 9, 2012	245476	Former Court Clerk	140
February 9, 2012	245477	Former Court Clerk	140
February 9, 2012	245478	Former Court Clerk	140
Date not recorded	245479	Former Court Clerk	400
February 21, 2012	245480	Former Court Clerk	40
February 22, 2012	245485	Former Court Clerk	75
February 23, 2012	245486	Former Court Clerk	845
March 16, 2012	245487	Former Court Clerk	165
March 20, 2012	245489	Former Court Clerk	100
March 23, 2012	245493	Former Court Clerk	282
April 3, 2012	245495	Former Court Clerk	213
April 9, 2012	245496	Former Court Clerk	532
April 9, 2012	245497	Former Court Clerk	482
April 16, 2012	245498	Former Court Clerk	165
April 16, 2012	245499	Former Court Clerk	140
April 17, 2012	245500	Former Court Clerk	100
April 17, 2012	245502	Former Court Clerk	40
April 17, 2012	245503	Former Court Clerk	300
May 3, 2012	245505	Former Court Clerk	282
May 4, 2012	245506	Former Court Clerk	200
May 10, 2012	245507	Former Court Clerk	165
Date not recorded	245513	Former Court Clerk	532
May 15, 2012	245515	Former Court Clerk	232
May 15, 2012	245516	Former Court Clerk	100
May 22, 2012	245517	Former Court Clerk	140
May 22, 2012	234120	Former Court Clerk	165
Total			\$ 19,142



Fortieth Judicial Circuit
 City of Pineville Municipal Division
 Supporting Documentation for Missing Cash Receipts

The following table provides supporting documentation of the 6 manual receipt slips totaling \$2,118 that were inaccurately recorded in the JIS as only \$1,612, and the remaining \$506 was not deposited and is missing as discussed in MAR finding number 1.

Inaccurately Recorded and
 Undeposited Cash Receipts

Manual Receipt			JIS Receipt			Difference
Number	Date Received	Amount	Number	Date Received	Amount	Long (Short)
265347	July 15, 2010	\$ 240	4082906	August 23, 2010	\$ 150	\$ (90)
265413	August 17, 2010	718	4082855	August 18, 2010	532	(186)
7858	November 19, 2010	172	4083606	November 22, 2010	140	(32)
7876	December 16, 2010	175	4084131	February 15, 2011	143	(32)
265504	May 16, 2011	140	4084635	May 16, 2011	115	(25)
265461	December 19, 2011	673	4085943	December 19, 2011	532	(141)
Total		\$ 2,118			\$ 1,612	\$ (506)

The following table provides supporting documentation of additional suspected missing funds based on correspondence with various defendants and other court records, which indicate cash payments totaling at least \$1,648 may have been made to the court, but were not properly recorded and deposited.

Additional Suspected
 Missing Funds

Ticket number	Date of Payment	Amount
100812466	January 2011	\$ 182
100812284	January 2011	140
100812215	December 14, 2010	140
090514548	September 10, 2010	182
100008324	2011	207
110122821	2011	97
110122739, 110122740, 110122741	April 19, 2011	700
Total		\$ 1,648