



Nicole Galloway, CPA
Missouri State Auditor

Seventeenth Judicial Circuit

City of Harrisonville Municipal Division

May 2016

Report No. 2016-028



<http://auditor.mo.gov>



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Harrisonville Municipal Division

Noncash Transactions	The Municipal Judge approves noncash transactions that court personnel post to the case management system, which include community service; jail time served; and waiver of fines, court costs, and fees through judicial order. However, a subsequent review of the actual transactions posted to the system is not performed to ensure all transactions are valid and accounted for properly.
Prosecuting Attorney Approval	The Prosecuting Attorney does not sign tickets processed by the municipal division, and his approval of dismissed traffic tickets is not always clearly documented. The Prosecuting Attorney allows court personnel to maintain and use his signature stamp on traffic tickets. Of 60 tickets reviewed by auditors, 58 tickets contained the Prosecuting Attorney's facsimile signature and 2 tickets had no signature or approval notation. Court personnel are also allowed to dismiss traffic violations issued for no proof of insurance if the defendant later provides proof of insurance; however, it is not possible to determine if the charges were dismissed by the Prosecuting Attorney or court personnel. There is also no indication that the Prosecuting Attorney reviewed charges dismissed by court personnel.

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

*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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Seventeenth Judicial Circuit

City of Harrisonville Municipal Division

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Seventeenth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Harrisonville, Missouri

We have audited certain operations of the City of Harrisonville Municipal Division of the Seventeenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2015. 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 and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

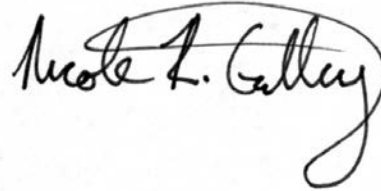
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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) no significant noncompliance with legal provisions, (3) noncompliance with a court rule, and (4) no significant noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Harrisonville Municipal Division of the Seventeenth Judicial Circuit.

A petition audit of the City of Harrisonville, 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.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Keriann Wright, MBA, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Keisha Williams
Audit Staff:	Susan D. Mason, CPA

Seventeenth Judicial Circuit

City of Harrisonville Municipal Division

Management Advisory Report - State Auditor's Findings

1. Noncash Transactions

The municipal division has not established procedures to ensure a subsequent review of all noncash transactions posted to the case management system is performed by an independent person.

The Judge approves noncash transactions that court personnel post to the case management system. However, a subsequent independent review of actual transactions posted to the system is not performed. The Court Administrator and Assistant Court Administrator, who record noncash transactions in the case management system, also collect fines and court costs and post them to the system. Noncash transactions include community service; jail time served; and waiver of fines, court costs, and fees through a judicial order. Court personnel posted 227 noncash transactions totaling \$18,790 to the system during the year ended December 31, 2015.

To ensure all noncash transactions are valid and accounted for properly, a subsequent review of all adjustments to the case management system by an independent person should be performed and documented.

Recommendation

The City of Harrisonville Municipal Division ensure a subsequent review of all noncash transactions is performed by an independent person.

Auditee's Response

We have already implemented a new process for review and approval consistent with the recommendation.

2. Prosecuting Attorney Approval

The Prosecuting Attorney does not sign tickets processed by the municipal division and the Prosecuting Attorney's approval of dismissed traffic tickets is not always clearly documented.

The Prosecuting Attorney allows court personnel to maintain and use his signature stamp on traffic tickets. Our review of 60 tickets noted the Prosecuting Attorney's clear authorization to file charges was not present. Of the 60 tickets, 58 tickets contained the Prosecuting Attorney's facsimile signature and the other 2 tickets had no signature or other approval notation. Six of the 60 tickets were later dismissed by court personnel. Court personnel are allowed to dismiss traffic violations issued for no proof of insurance if the defendant later provides proof of insurance. It is not always possible to determine which charges were dismissed by the Prosecuting Attorney or dismissed by court personnel, and there is no indication charges dismissed by court personnel are reviewed by the Prosecuting Attorney to ensure their propriety.

The ability of the Court Clerk to dismiss tickets and apply the Prosecuting Attorney's signature by facsimile stamp without a review by the Prosecuting Attorney is a significant control weakness, and increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the



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Management Advisory Report - State Auditor's Findings

municipal division. The Prosecuting Attorney's review, documented with his signature, is needed to provide assurance proper cases and charges are filed with the municipal division. Additionally, to ensure the proper disposition of all cases has been entered in the municipal division records, the Prosecuting Attorney should sign or initial all dismissed tickets indicating his review and approval.

Recommendation

The City of Harrisonville Municipal Division ensure the Prosecuting Attorney signs all tickets and reviews and approves all dismissed tickets. Additionally, the Prosecuting Attorney should discontinue allowing the use of his facsimile signature, unless accompanied by his initials to indicate his review and approval.

Auditee's Response

The Municipal Judge indicated he has spoken with the Prosecuting Attorney, and a new process will be implemented where the Prosecuting Attorney will initial the use of his signature stamp, and the court has already implemented a review process for all dismissed tickets.

Seventeenth Judicial Circuit

City of Harrisonville Municipal Division

Organization and Statistical Information

The City of Harrisonville Municipal Division is in the Seventeenth Judicial Circuit, which consists of Cass and Johnson Counties. The Honorable William B. Collins 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 court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize the Office of State Court Administrator's statewide automated case management system known as JIS. Instead, the municipal division utilizes Incode, an automated case management system provided by Tyler Technologies, which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At December 31, 2015, the municipal division employees were as follows:

Title	Name
Municipal Judge	Kevin Anderson
Court Administrator	Raschelle Perry
Assistant Court Administrator	Dawn Prewitt

Financial and Caseload Information

	Year Ended December 31, 2015
Receipts	\$227,400
Number of cases filed	2,065

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 12.00
Shelters for Victims of Domestic Violence	2.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Inmate Prisoner Detainee Security	2.00
Sheriff's Retirement Fund	3.00
Failure to Appear (FTA) Fee ¹	75.00

¹ In September 2015, the Municipal Division stopped issuing FTA fees and began waiving previously assessed FTA fees.



Seventeenth Judicial Circuit
City of Harrisonville Municipal Division
Organization and Statistical Information

Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report which can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the City of Harrisonville Police Department. In addition, see information at <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.

Racial Profiling Data/2014 - Harrisonville Police Department - Population 7,593¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	3289	3162	76	31	9	1	10
Searches	276	261	7	6	0	1	1
Arrests	212	200	7	4	0	1	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	94.31	1.19	2.12	0.63	0.67	1.08
Disparity Index ²	N/A	1.02	1.95	0.44	0.43	0.05	0.28
Search Rate ³	8.39	8.25	9.21	19.35	0.00	100.00	10.00
Contraband hit rate ⁴	40.58	41.38	14.29	33.33	#Num!	100.00	0.00
Arrest rate ⁵	6.45	6.33	9.21	12.90	0.00	100.00	0.00

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Other" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100

#Num! indicates zero denominator