



Office of Missouri State Auditor  
**Nicole Galloway, CPA**

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**Summary of Audit Findings**  
**Judiciary - Municipal Divisions**

Report No. 2016-046

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[auditor.mo.gov](http://auditor.mo.gov)

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# Summary of Audit Findings

## Judiciary - Municipal Divisions

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**NICOLE GALLOWAY, CPA**  
**Missouri State Auditor**

Members of the Supreme Court of Missouri  
and  
Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Members of the General Assembly  
and  
Kathy Lloyd, State Courts Administrator  
Jefferson City, Missouri

This report was compiled using municipal court audit reports issued between July 2014 and June 2016 (report numbers 2014-047 through 2014-143, 2015-001 through 2015-135, and 2016-001 through 2016-042). The objective of this report was to summarize recent audit issues and recommendations regarding Municipal Division operations.

The recommendations address a variety of topics including missing funds, accounting controls and procedures, municipal division procedures, vehicle stop reporting, and monitoring of excess revenue. Appendix A lists the 18 reports with findings covering these topics. Appendix B shows the audit locations by county.

Nicole R. Galloway, CPA  
State Auditor

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# Summary of Audit Findings

## Judiciary - Municipal Divisions

### Audit Issues

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#### **1. Missing Funds**

In two cities, monies totaling at least \$79,771 were missing from municipal court receipts, and an additional \$31,141 was likely missing.

A lack of adequate oversight, reconciliations, and controls resulted in the failure to detect undeposited receipts. Issues noted included monies received but not deposited, monies collected but neither received or deposited, monies not recorded into the case management system, fines and costs not handled as ordered by the Municipal Judge, and unaccounted for manual receipt slips. In one city, municipal division receipts were recorded by the court and properly transmitted to the city; however, these monies were not deposited by the city. In addition, some essential records documenting amounts received by the city were altered.

#### Recommendation

The municipal division work with law enforcement officials regarding any possible criminal prosecution related to the missing funds, including restitution.

#### Report source

2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)

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#### **2. Accounting Controls and Procedures**

We identified significant weaknesses with accounting controls and procedures.

##### 2.1 Segregation of duties/oversight

The municipal division had not adequately segregated accounting duties and had not established adequate independent reviews to detect errors and irregularities. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provided adequate supervision or review of the work performed by court personnel. In many instances, the municipal division had only one employee, making segregation of duties difficult.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented supervisory or independent reviews of accounting records.

#### Recommendation

Segregate accounting duties to the extent possible. If it is not possible to segregate duties, ensure documented periodic independent or supervisory reviews of municipal division records are performed.

#### Report source

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-057 (4th Judicial Circuit/City of Tarkio Municipal Division)



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2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)

## 2.2 Receipting

The municipal division did not maintain accurate records to account for all payments received and deposited, accurately or timely post receipts, or indicate the method of payment for all receipts. Checks and money orders were not always endorsed immediately upon receipt. The municipal division lacked proper controls or procedures for manual and voided receipt slips.

Failure to implement adequate receipting and recording procedures increases the risk that loss, theft, or misuse of monies will go undetected.

## Recommendation

Ensure accurate records are maintained to account for all payments received and deposited, receipts are posted accurately and timely, and the method of payment is indicated on all receipts. Checks and money orders should be endorsed immediately upon receipt. Additionally, the municipal division should ensure manual receipt slips are timely entered in the computerized system and the numerical sequence of manual receipt slips is accounted for properly. In addition, voided transactions should be properly documented and approved.

## Report source

2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)

## 2.3 Deposits

The municipal division and the city lacked procedures to ensure all monies received were transmitted and deposited intact and timely. Without reconciling the composition of receipts to the composition of monies transmitted and/or deposited, the city cannot ensure monies collected are ultimately deposited. Failure to deposit collections intact and timely increases the risk of loss, theft, or misuse of monies going undetected.



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**Recommendation** Reconcile the composition of receipts to the composition of deposits and deposit all monies intact and timely.

**Report source** 2014-057 (4th Judicial Circuit/City of Tarkio Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)

**2.4 Reconciliations** The municipal division or city did not reconcile the municipal division bank accounts timely and did not follow up on reconciling items identified.

Documented monthly bank reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded and errors or discrepancies are detected and corrected timely.

**Recommendation** Perform monthly bank reconciliations, resolve reconciling items, and make appropriate, documented adjustments to accounting records timely.

**Report source** 2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

**2.5 Liabilities** The municipal division did not generate a monthly list of liabilities for comparison to the reconciled bank account balance and was unable to identify open bonds or other items comprising the account balance.

Monthly lists of liabilities are necessary to ensure all bond dispositions and other items have been properly recorded and amounts remaining on the liabilities list over a specified amount of time are properly investigated to determine if further action is needed. The failure to routinely review open bonds and other items and to apply, forfeit, or refund monies when appropriate increases the volume of cases requiring monitoring and deprives the state, city, or others the use of those monies.



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**Recommendation** Prepare monthly lists of liabilities and reconcile the lists to the bank account and/or city fund balance, promptly investigate and resolve differences, and establish procedures to review the status of liabilities to determine the appropriate disposition of funds held.

**Report source** 2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

**2.6 Disbursements** The municipal division did not always accurately calculate monthly disbursements of fines, court costs, and bonds. In several municipal divisions, court officials or city officials did not disburse amounts received for the state's portion of Crime Victim's Compensation (CVC), Peace Officer Standards and Training (POST), and the Sheriff Retirement Fund (SRF) fees monthly.

To ensure amounts disbursed to the city and state are correct, the municipal division should reconcile amounts included on the various reports with amounts posted to city records and subsequently disbursed.

**Recommendation** Develop procedures to ensure the monthly distributions are properly calculated and disbursed timely.

**Report source** 2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)

**2.7 Accrued costs** The municipal division did not periodically monitor accrued costs owed to the court, including fines and court costs, incarceration costs, and court-ordered restitution. In addition, the municipal division had not created payment plans for all amounts not paid in full at case disposition.

Timely monitoring of accrued costs is necessary to help ensure unpaid amounts are collected, proper follow up action is taken for nonpayment, and to provide information to the Municipal Judge to determine appropriate handling when amounts are deemed uncollectible. Missouri Supreme Court Operating Rule 21 requires all courts using the Justice Information System (JIS) to participate in the tax offset and debt collection programs and



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requires the municipal division to create payment plans in the JIS for all amounts not paid in full at case disposition. Payment agreements signed by the defendant formalize the liability to the municipal division and could aid in the collection process.

## Recommendation

Establish procedures to routinely generate and review the accrued costs list for accuracy and properly follow up on all amounts due. In addition, obtain signed payment plans from all defendants and ensure payment plans are established in the JIS in accordance with court operating rules when applicable.

## Report source

2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

## 2.8 Adjustments

The municipal division had not established procedures to ensure adjustments and noncash transactions posted to the case management system were properly documented and reviewed by an independent person. The Court Clerk/Administrator could post an adjustment when the municipal division did not assess fines and court costs in accordance with the violations bureau schedule, Municipal Judge's orders, or plea agreements. When the Judge approved noncash transactions, there was not an independent review of the transaction that court personnel posted to the case management system to ensure the recorded transaction agrees to what the Judge approved. Noncash transactions include community service; jail time served; and waiver of fines, court costs, and fees through a judicial order.

Adequate documentation and independent review and approval of adjustments are necessary to help ensure transactions are appropriate and reduce the risk of errors, loss, theft, or misuse of funds.

## Recommendation

Ensure adequate documentation is maintained to support all adjustment transactions and ensure an independent review and approval of these transactions is performed and documented.

## Report source

2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-028 (17th Judicial Circuit/City of Harrisonville Municipal Division)





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## 2.9 Change fund

The municipal division change fund was not maintained at a constant amount or reconciled to the authorized balance.

To safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount and the funds should be periodically counted and reconciled to the authorized balance by an independent person.

### Recommendation

Maintain the change fund at an established amount and periodically count and reconcile the monies on hand to the authorized balance.

### Report source

2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)

## 2.10 Court Clerk bond

The Court Clerk, who handled and had access to monies, was not covered by the city's bond. Failure to properly bond individuals who have access to funds exposes the municipal division to risk of loss.

### Recommendation

Maintain bond coverage for all personnel with access to municipal division monies.

### Report source

2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)

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## 3. Municipal Division Procedures

Municipal division procedures needed improvement.

### 3.1 Case disposition

The municipal division did not have adequate procedures to ensure accurate recording of case activity through final disposition. Municipal division personnel documented case information for each defendant on backer sheets or dockets maintained in manual case files as well as computerized docket sheets maintained in the case management system. However, information recorded on the backer sheets was very inconsistent, often incomplete, and in some cases blank. In addition, the Municipal Judge did not always approve the final disposition of cases brought before the court and did not always review and approve traffic and ordinance violation tickets paid at the violations bureau.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. Accurate recording of the case information is necessary to ensure all fines and court costs have been properly collected and deposited. In addition, the Municipal Judge should



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sign the docket or backer sheet to indicate approval of the recorded disposition.

**Recommendation**

Ensure the proper disposition of cases is documented on the court dockets or backer sheets and all court dockets and backer sheets are signed by the Municipal Judge.

**Report source**

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

**3.2 Prosecutor approval**

The Prosecuting Attorney's approval to file charges on tickets and the approval of amended or dismissed traffic tickets was not always clearly documented. The Prosecuting Attorney did not file an information with the municipal division for the prosecution of failure to appear ordinance violations. In addition, the controls over the Prosecuting Attorney's signature stamp were not always adequate to ensure the Prosecuting Attorney authorized all uses of the stamp.

The ability of the Court Clerk/Administrator to 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 Rules 37.34 and 37.35 state ordinance violations shall be in writing and signed by the prosecutor and filed with the 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.

**Recommendation**

Ensure a citation or information signed by the Prosecuting Attorney is filed for each ordinance violation to be prosecuted. In addition, the municipal division should ensure the Prosecuting Attorney signs all tickets and reviews and approves all amended and dismissed tickets. Additionally, the Prosecuting Attorney should discontinue allowing the use of facsimile signatures.

**Report source**

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)



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2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-028 (17th Judicial Circuit/City of Harrisonville Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

### 3.3 Missing records

The municipal division did not maintain case records in a complete and accurate manner. The municipal division could not locate all manual case files requested during the audit. Entries in the computerized system were not always accurate and the fines and court costs assessed in the computerized system did not always agree to the amounts established for the violations bureau or the Municipal Judge's orders. As a result, we could not determine if the case and financial activity and disposition of those tickets had been properly reflected in the case management system.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. In addition, Supreme Court Operating Rule No. 8.04.7 requires all financial records be maintained for 5 years or until completion of an audit. Accurate recording of the case information and retention of applicable records is necessary to properly account for the municipal division's financial activity and to reduce the risk that loss, theft, or misuse of funds will go undetected.

### Recommendation

Ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.

### Report source

2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

### 3.4 Fees

The municipal division assessed a potentially improper fee, or fees for which there was no statutory authorization or which had not been formally established in city ordinance, and/or assessed fees at amounts other than allowed by state law. Examples of potentially improper fees included warrant fees, failure to appear fees attached to original violations, bond processing fees, booking fees, police recoupment fees, electronic monitoring and work release fees.



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Audits of 10 municipal divisions identified at least \$316,000 collected for fees which appeared improper or were assessed at the wrong amount.

**Recommendation**

Ensure court fees are assessed as allowed by Supreme Court Operating Rules, state laws, and city ordinances. Work with the city and legal counsel to reevaluate fees assessed by the municipal division and the authority to assess each fee.

**Report source**

2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-132 (21st Judicial Circuit/City of St. Ann Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

**3.5 Warrants**

The Municipal Judge did not sign warrants issued and did not issue written authorization for the Court Clerk/Administrator to sign warrants on his behalf. In addition, the Municipal Judge allowed the Court Clerk/Administrator to use his signature stamp on warrants and failure to appear notices. Without the signature or written authorization, there is no documentation the warrants were authorized. In addition, the municipal division did not always issue warrants timely.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the Municipal Judge should sign warrants or provide specific written authorization for the Court Clerk/Administrator to sign warrants and discontinue allowing the use of his facsimile signature. In addition, warrants should be issued timely to ensure outstanding court appearances and fines are addressed.

**Recommendation**

Ensure warrants are signed by a Municipal Judge or by the Court Clerk/Administrator only when directed by the Municipal Judge for a specific warrant, and ensure warrants are issued timely.

**Report source**

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)

**3.6 Monthly reports to city  
and state**

The municipal division did not always submit accurate monthly reports of municipal division activity to the Office of State Courts Administrator



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(OSCA) or city. As a result, municipal division activities may have been incorrectly reported to the OSCA and the city cannot effectively monitor municipal division activity and ensure monies were properly remitted.

Supreme Court Operating Rules 4.28 and 4.29, and OSCA instructions require monthly reports of cases filed and fines and court costs collected to be submitted to the OSCA. Section 479.080.3, RSMo, and Supreme Court Operating Rule 4.29 require the Court Clerk/Administrator to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk/Administrator or Municipal Judge and filed with the city.

### Recommendation

Establish procedures to generate accurate monthly reports of municipal division activity and submit these reports timely to the OSCA and the city in accordance with state law and the Supreme Court Operating Rules.

### Report source

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

### 3.7 Ticket accountability

Neither the municipal division nor the city police department adequately accounted for the numerical sequence and ultimate disposition of all tickets issued.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the police department cannot ensure all tickets issued are properly submitted for processing.

### Recommendation

Work with the police department to ensure the numerical sequence and ultimate disposition of all tickets, including voided tickets, are accounted for properly.

### Report source

2014-053 (42nd Judicial Circuit/Village of Leasburg Municipal Division)  
2014-074 (33rd Judicial Circuit/City of Sikeston Municipal Division)  
2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)



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### 3.8 Bond procedures

The city police department and the municipal division did not work together to ensure all bonds were accounted for properly or to account for the numerical sequence of bond forms issued. The municipal division did not always issue a receipt slip or provide any other formal acknowledgement to the police department for receipt of cash bond transmittals. Police department personnel issued generic unnumbered bond forms or used prenumbered bond forms issued out of sequence. Police department personnel did not always maintain an adequate log of bond forms issued. As a result, it was not possible to account for the numerical sequence of bond forms issued.

To reduce the risk of loss, theft, or misuse of bond monies received, adequate procedures are necessary to provide assurance all bond monies are accounted for properly and processed timely.

#### Recommendation

Work with the police department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, and a bond log is maintained to record all bonds received. In addition, all bond receipts should be recorded and deposited timely and intact.

#### Report source

2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)

### 3.9 Data security

Municipal division records were not adequately protected and were susceptible to unauthorized access or damage. The division did not periodically back up the data in the computer system, have adequate user identification and password controls, properly restrict user access to the computer system, nor periodically review user access to data and other information in the computer system to ensure access rights remained appropriate.

Preparation of backup data on a frequent basis, periodic testing to ensure the backup process is adequate, and off-site storage would provide reasonable assurance data could be recovered if necessary. User identification and unique, confidential passwords that are changed periodically are required to reduce the risk of unauthorized access to and use of computers and data. To prevent unauthorized changes to ticket, receipt, and case information and inappropriate access to personal data, access should be limited based on current user needs. Periodic reviews of user access rights ensures the right type and level of access has been provided and only to appropriate personnel.

#### Recommendation

Regularly back up computer data and ensure it is stored in a secure off-site location and its recovery is tested on a regular, predefined basis. Require unique user identifications and passwords for each employee and passwords



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that are confidential and periodically changed. Ensure user access is periodically reviewed and unnecessary access, including that of terminated users, is removed timely, as well as review user access to data and other information resources to ensure access rights are commensurate with current user job responsibilities.

Report source

2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)

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#### **4. Vehicle Stop Reporting**

The police department did not retain adequate documentation to support the vehicle stop data submitted to the Attorney General's Office (AGO) for the year audited.

Section 590.650, RSMo, requires law enforcement agencies to submit stop data to the AGO annually. Section 109.255, RSMo, authorizes the Missouri Local Records Board, chaired by the Secretary of State, to establish minimum retention periods for records created by local governments. The Police Clerk's Record Retention Schedule established by the Local Records Board requires the racial profiling statistics be retained for a minimum of 1 year after submission to the AGO.

Recommendation

The police department should ensure adequate records are maintained to support the vehicle stop information submitted annually to the AGO.

Report source

2015-132 (21st Judicial Circuit/City of St. Ann Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)

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#### **5. Monitoring of Excess Revenue**

Procedures related to the calculation of excess revenues due to the Missouri Department of Revenue (DOR) were not adequate to ensure compliance with state law. The municipal division did not always have procedures in place to accurately identify traffic violation tickets and the associated fines and court costs to be included in the calculation of excess revenues. The city's calculation included certain items that were not required to be included in the traffic violation revenue total. Also, the city's general operating revenue calculation improperly included revenues restricted for specific purposes and transfers from other funds, and the percentage calculated was not mathematically accurate. As a result, the city's calculation did not accurately assess the excess revenues owed to the DOR.

Five audits identified a total of \$765,000 in excess revenues due to DOR beyond what the cities had reported. Several more audits identified the cities



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failed to calculate and report excess revenues or the records were too poor to allow a calculation.

Section 302.341, RSMo, (as it existed from August 28, 2013, to August 27, 2015), required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations in its annual financial report submitted to the SAO and required cities to remit any such revenues in excess of 30 percent of annual general operating revenue to the DOR.

Effective August 28, 2015, Senate Bill 5 changed the requirements regarding excess revenues. Section 479.350, RSMo, provided new definitions for elements of the excess revenue calculation. Section 479.359.1, RSMo, requires cities to annually calculate the percent of annual general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations and send the excess revenues to DOR. Section 479.359.2, RSMo, reduces the amounts of these revenues the city may retain in the future.

Due to the impact of these provisions on operations of the municipal division and the city it is important the city and its municipal division take immediate action to implement policies and procedures to ensure future compliance with state law.

## Recommendation

Develop procedures and records to identify applicable violations and the associated fines and court costs revenues and provide this information to the city. Work with the city to ensure the accuracy of annual excess revenue calculations and include appropriate general operating revenues and court revenues in the calculations. In addition, once excess revenues have been accurately calculated, maintain documentation to support the calculations, and make appropriate payments to the DOR for any excess revenues identified.

## Report source

2014-121 (37th Judicial Circuit/City of West Plains Municipal Division)  
2014-128 (39th Judicial Circuit/City of Kimberling Municipal Division)  
2014-143 (33rd Judicial Circuit/City of Miner Municipal Division)  
2015-017 (25th Judicial Circuit/City of Dixon Municipal Division)  
2015-126 (29th Judicial Circuit/City of Carl Junction Municipal Division)  
2015-131 (11th Judicial Circuit/City of Foristell Municipal Division)  
2015-135 (29th Judicial Circuit/City of Joplin Municipal Division)  
2016-002 (45th Judicial Circuit/City of Winfield Municipal Division)  
2016-003 (7th Judicial Circuit/City of Mosby Municipal Division)  
2016-006 (45th Judicial Circuit/City of Foley Municipal Division)  
2016-010 (24th Judicial Circuit/City of Leadington Municipal Division)  
2016-033 (21st Judicial Circuit/City of Bella Villa Municipal Division)  
2016-041 (21st Judicial Circuit/City of Pine Lawn Municipal Division)



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# Summary of Audit Findings

## Judiciary - Municipal Divisions

### Appendix A - Audit Reports

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Report Number	Title	Publication Date	Overall Rating
2014-053	42nd Judicial Circuit/Village of Leasburg Municipal Division	August 2014	Fair
2014-057	4th Judicial Circuit/City of Tarkio Municipal Division	August 2014	Good
2014-074	33rd Judicial Circuit/City of Sikeston Municipal Division	September 2014	Good
2014-121	37th Judicial Circuit/City of West Plains Municipal Division	December 2014	Fair
2014-128	39th Judicial Circuit/City of Kimberling Municipal Division	December 2014	Good
2014-143	33rd Judicial Circuit/City of Miner Municipal Division	December 2014	Poor
2015-017	25th Judicial Circuit/City of Dixon Municipal Division	April 2015	Fair
2015-126	29th Judicial Circuit/City of Carl Junction Municipal Division	December 2015	Poor
2015-131*	11th Judicial Circuit/City of Foristell Municipal Division	December 2015	Good
2015-132*	21st Judicial Circuit/City of St. Ann Municipal Division	December 2015	Good
2015-135	29th Judicial Circuit/City of Joplin Municipal Division	December 2015	Poor
2016-002*	45th Judicial Circuit/City of Winfield Municipal Division	January 2016	Fair
2016-003*	7th Judicial Circuit/City of Mosby Municipal Division	January 2016	Fair
2016-006*	45th Judicial Circuit/City of Foley Municipal Division	January 2016	Fair
2016-010*	24th Judicial Circuit/City of Leadington Municipal Division	March 2016	Fair
2016-028	17th Judicial Circuit/City of Harrisonville Municipal Division	May 2016	Good
2016-033*	21st Judicial Circuit/City of Bella Villa Municipal Division	June 2016	Fair
2016-041*	21st Judicial Circuit/City of Pine Lawn Municipal Division	June 2016	Poor

\* Indicates the audit was performed as part of the State Auditor's Municipal Courts Initiative

# Summary of Audit Findings

## Judiciary - Municipal Divisions

### Appendix B - Audit Locations by County

Audits Issued - July 2014 to June 2016

