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Missouri State Auditor

Twenty-Third Judicial Circuit

City of Festus Municipal Division

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Office of
Missouri State Auditor
Susan Montee, CPA

March 2008

An audit was conducted by our office of the Twenty-Third Judicial Circuit, city of Festus Municipal Division.

Fines and court costs due to the city's General Fund are not paid to the city treasury at least monthly, as required by state law, and some Crime Victims Compensation and Police Officers Standard Training and Commission Fund collections were not remitted to the state on a timely basis. In addition, monies received by the court are not deposited on a timely basis. Also, neither the police department nor the Court Clerk accounts for the numerical sequence and ultimate disposition of traffic tickets issued.

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YELLOW SHEET

STATE AUDITOR'S REPORT



SUSAN MONTEE, CPA
Missouri State Auditor

Presiding Judge
Twenty-Third Judicial Circuit
and
Municipal Judge
Festus, Missouri

We have audited certain operations of the city of Festus Municipal Division of the Twenty-Third Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the two years ended September 30, 2007. The objectives of our audit were to:

1. Determine if the municipal division has adequate internal controls over significant financial functions, such as receipts.
2. Determine if the municipal division has complied with certain legal provisions.

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 tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent

person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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 History, 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.

The accompanying Management Advisory Report presents our findings arising from our audit of the city of Festus Municipal Division of the Twenty-Third Judicial Circuit.



Susan Montee, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Steven Re', CPA
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Audit Staff:	Albert Borde-Koufie

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

TWENTY-THIRD JUDICIAL CIRCUIT
CITY OF FESTUS
MUNICIPAL DIVISION
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Monthly Disbursements

Fines and court costs due to the city's General Fund are not paid to the city treasury at least monthly as required by state law. In addition, some Crime Victims Compensation and Police Officers Standard Training and Commission Fund collections were not remitted to the state on a timely basis. Receipts collected from August 2007, totaling \$30,624, were not disbursed until October 22, 2007, and receipts collected in September 2007, totaling \$19,962, were disbursed on November 15, 2007.

Section 479.080, RSMo, requires the municipal division to disburse fines and court costs to the city treasury and to the state at least monthly.

WE RECOMMEND the city of Festus Municipal Division establish procedures to ensure all fines and court costs received are disbursed to the city and state on a monthly basis.

AUDITEE'S RESPONSE

The Municipal Judge, Court Clerk, City Administrator, and Finance Director indicated:

We realize the importance of distributing the fines and court costs and have implemented procedures to see that the funds are disbursed monthly.

2. Court Controls and Procedures

Receipts are not deposited on a timely basis. In addition, the Municipal Judge and city's Prosecuting Attorney do not initial or sign the case files indicating approval of case dispositions.

- A. Some monies received are not deposited on a timely basis. The Court Clerk normally accumulates several days of receipts before preparing the deposit to the fines and fees bank account and bond account. For example, the September 11, 2007, fines and fees deposit, totaling \$5,985, included monies received between August 29 and September 10, 2007, and the September 28, 2007, deposit, totaling \$7,075, included monies received between September 18 and September 25, 2007. In addition, the September 11, 2007, bond deposit, totaling \$4,788, included monies received between August 17 and September 9, 2007.

To reduce the risk of loss, theft, or misuse of funds, and to provide assurance that all receipts are accounted for properly, deposits should be made on a timely basis (preferably daily).

- B. The Municipal Judge does not always initial or sign the case file to indicate approval of the case disposition. In addition, the city's Prosecuting Attorney does not always initial or sign the case file to document approval of a ticket's amendment or dismissal. To ensure all cases have been properly processed, and the disposition of all cases has been properly authorized and documented, all amendments should be signed by the Prosecuting Attorney and all case dispositions should be signed by the Municipal Judge.

WE RECOMMEND the city of Festus Municipal Division:

- A. Deposit all monies on a timely basis (preferably daily).
- B. Require all amendments be signed by the city's Prosecuting Attorney and all case dispositions be signed by the Municipal Judge.

AUDITEE'S RESPONSE

The Municipal Judge, Court Clerk, City Administrator, and Finance Director indicated:

- A. *The court will now begin making their deposits at least three times per week.*
- B. *The Municipal Judge will now initial the case files to indicate approval of case dispositions and the Prosecuting Attorney will initial all amendments.*

3. Ticket Controls and Procedures
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Neither the police department nor the Court Clerk accounts for the numerical sequence and ultimate disposition of traffic tickets issued. The police department maintains a log of ticket books assigned to officers and posts tickets issued to their computer system. The Court Clerk posts the tickets received from the police department to the court's system. However, no report is generated and reviewed to account for the numerical sequence and the ultimate disposition for each ticket issued.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the court and the police department cannot be assured all tickets issued were properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to ensure all tickets have been accounted for properly.

WE RECOMMEND the city of Festus Municipal Division work with the police department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

AUDITEE'S RESPONSE

The Municipal Judge, Court Clerk, City Administrator, and Finance Director indicated:

The Court Clerk is working on a system to track ticket numbers by utilizing the summons logs. Any ticket not received and entered by the court will be checked to see if voided or if there is another reason for it not being received by the Court.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

TWENTY-THIRD JUDICIAL CIRCUIT
 CITY OF FESTUS
 MUNICIPAL DIVISION
 HISTORY, ORGANIZATION, AND
 STATISTICAL INFORMATION

The city of Festus Municipal Division is within the Twenty-Third Judicial Circuit, which consists of Jefferson County. The Honorable Edward Williams 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 (VB) in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Operating Costs

The operating costs and court salaries of the municipal division are paid by the municipality.

Personnel

At September 30, 2007, the municipal division employees were as follows:

Municipal Judge	Edward Page
Court Clerk	Laurie Summers
Finance Director	Pat Parsons

The current Assistant Court Clerk, Sherri Baynes, started in October 2007. The prior Assistant Court Clerk, Paige Laiben, resigned on September 14, 2007.

Edward Page has been the city's Municipal Judge since January 2006. The prior Municipal Judge was Tim Miller.

Financial and Caseload Information

	Year Ended September 30,	
	2007	2006
Receipts	\$ 280,014	292,263
Number of cases filed	3,277	3,545