



Susan Montee, JD, CPA
Missouri State Auditor

Thirty-Fourth Judicial Circuit

City of Hayti Heights Municipal Division

April 2009
Report No. 2009-33



auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

April 2009

An audit was conducted by our office of the Thirty-Fourth Judicial Circuit, City of Hayti Heights Municipal Division.

Internal controls and accounting records of the city of Hayti Heights Municipal Division are inadequate. Receipt records are poorly organized and lack proper documentation and controls. As a result, there is no assurance all monies collected were accounted for properly and deposited to the city's account. Controls over receipts are in need of improvement, receipt information is not documented on the court dockets, and duties are not properly segregated. Also, police officers and court employees are not bonded, case files are not maintained, and some cases are assigned a new case number when moved to a different docket. The Court Clerk does not file a monthly report with the city of all cases heard in the municipal division.

Bond records are poorly organized and lack proper documentation and controls. As a result, there is no assurance all bond monies collected are accounted for properly. Bond forms are not used to record bonds collected. A bond ledger is not maintained, and a listing of open items is not prepared periodically and reconciled to bonds held. Some bond monies were used to fund city operations prior to the disposition of the bonds by the court, creating a shortage to cover bond liabilities.

Procedures have not been established to adequately monitor accrued costs owed to the municipal division. A listing of accrued costs is maintained by the Court Clerk; however, it is incomplete and inaccurate. There is no documentation indicating the Municipal Judge met with or issued a warrant for several defendants who failed to make a payment.

Prior to May 2008, neither the city nor the Court Clerk disbursed Crime Victim's Compensation (CVC) and Peace Officer Standards and Training Commission (POSTC) fees collected to the state as required; however, the city's Municipal Court Account does not have sufficient funds to cover liabilities due to the state.

Neither the police department, nor the municipal division, maintain adequate records to account for tickets assigned and issued, and their ultimate disposition.

Computer systems and data are vulnerable to unauthorized use, modification, or destruction due to not limiting access and not keeping passwords confidential. In addition, daily back-ups are not performed and stored off-site.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

THIRTY-FOURTH JUDICIAL CIRCUIT
CITY OF HAYTI HEIGHTS
MUNICIPAL DIVISION

TABLE OF CONTENTS

		<u>Page</u>
STATE AUDITOR'S REPORT		1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDINGS		4-16
<u>Number</u>	<u>Description</u>	
1.	Court Controls and Procedures	5
2.	Bond Controls and Procedures.....	9
3.	Accrued Costs	11
4.	Court Costs.....	12
5.	Ticket Accountability.....	14
6.	Computer Controls.....	15
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION.....		17-18

STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Thirty-Fourth Judicial Circuit
and
Municipal Judge
Hayti Heights, Missouri

We have audited certain operations of the city of Hayti Heights Municipal Division of the Thirty-Fourth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. 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. 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. 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.

Internal controls and accounting records of the city of Hayti Heights Municipal Division were inadequate. Receipts and disbursements were not adequately documented and case files were not maintained. In addition, some records could not be located. As a result, we were unable to design and perform procedures to provide reasonable assurance of detecting instances of noncompliance significant to legal provisions.

Except as discussed in the preceding paragraph 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 Hayti Heights Municipal Division of the Thirty-Fourth Judicial Circuit.

An audit of the city of Hayti Heights fulfilling our obligation under Section 26.060, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report

Director of Audits: Alice M. Fast, CPA, CIA, CGFM

Audit Manager: Debra S. Lewis, CPA

In-Charge Auditor: Steven Re', CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

THIRTY-FOURTH JUDICIAL CIRCUIT
CITY OF HAYTI HEIGHTS
MUNICIPAL COURT
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Court Controls and Procedures

Receipt records are poorly organized and lack proper documentation and controls. As a result, there is no assurance all monies collected were accounted for properly and deposited to the city's account. Controls over receipts are in need of improvement, receipt information is not documented on the court dockets, and duties are not properly segregated. Also, police officers and court employees are not bonded, case files are not maintained, and some cases are assigned a new case number when moved to a different docket. The Court Clerk does not file a monthly report with the city of all cases heard in the municipal division.

The city maintains a bank account for court deposits and disbursements. Monies received from fines, fees, and bonds are receipted and deposited by the Court Clerk. The City Clerk is responsible for preparing disbursements and reconciling the account.

A. The following concerns relating to receipts were noted:

- 1) Receipt slips are issued for fines, costs, and bonds; however, the receipt slips are not pre-numbered and the method of payment is not documented on some receipt slips issued. To ensure receipts are properly handled and recorded, pre-numbered receipt slips should be issued for all monies received and the numerical sequence of receipt slips issued should be accounted for properly. In addition, the method of payment should be documented for all monies received and the composition of receipt slips issued should be reconciled to deposits.
- 2) Monies are not deposited intact and in a timely manner. In addition, the Court Clerk does not prepare deposit slips or indicate which receipt slips compose the deposits. The Court Clerk indicated she deducts monies from collections to make purchases of office supplies and pay Crime Victims Compensation (CVC) fees to the state.

The Court Clerk currently places monies received for each case along with receipts for cash purchases in separate envelopes and records the total amount received and any monies withheld for purchases or payments on the outside of the envelopes. The envelopes are then placed in a bank bag which is locked up in the file cabinet. At the time of the deposit, the Court Clerk will go through the bank bag, remove all monies from each envelope and make the deposit. The Court Clerk then makes copies of the

vendor receipts for cash purchases or payments and gives the original along with a copy of the bank receipt to the City Clerk. The Court Clerk indicated the copies of the vendor receipts are placed back in the envelope and placed in a folder.

We reviewed the month of May 2008, and noted the following problems:

- May receipt slips showed total cash composition of \$273; however, only \$93 in cash was deposited. The Court Clerk withheld \$228 in cash from May receipts to purchase money orders to pay CVC fees for January through May 2008 and located one vendor receipt for \$30. It appears \$78 more in cash was deposited than recorded on May receipt slips. Because the receipt slips composing a deposit are not clearly indicated, we could not determine whether this additional cash was from monies received in previous months or from unrecorded monies.
- The May 20, 2008, deposit consisted of receipts for \$82 dated April 16, 2008, \$51 dated May 2, 2008, \$223 dated October 12, 2007, and \$83 dated November 19, 2007. The Court Clerk indicated the October and November receipts had been missed when preparing earlier deposits.

Monies are normally collected each day, but monies are deposited only once or twice a month. In addition, only two deposits were made in April, two in May, and one in June 2008.

To prevent loss or misuse of receipts, all monies should be deposited intact timely, preferably daily, and deposit slips prepared indicating which receipts are included in the deposits. The CVC and Peace Officer Standards and Training Commission (POSTC) monies should then be disbursed by the city, based on information provided by the court. Additionally, if monies are needed to purchase supplies, the municipal division should work with the city to establish a petty cash fund.

- 3) Checks and money orders are not restrictively endorsed until monies are deposited. To reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- B. The duties of receiving and depositing monies are not adequately segregated from the recording of transactions. The Court Clerk performs all the duties related to the collection, depositing, and recording of fines, court costs, and bond monies received. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide any supervision or review of the work performed by the Court Clerk.

To reduce the risk of 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 the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliations between receipts and deposits by an independent person.

- C. Police officers and court employees who collect monies are not bonded. Adequate bonding is necessary to reduce the risk of loss if funds are mishandled. Failure to properly bond all persons with access to assets exposes the municipal division and the city to risk of loss.

- D. Case files are not maintained and court dockets are incomplete. The Court Clerk does not document the ticket number, date paid, amount paid, or receipt slip number on the court dockets, and the case number assigned is often changed when a ticket is moved to a different type of docket. Tickets are filed haphazardly in a folder with the court docket each month. Additionally, the municipal division could not locate copies of some dockets, receipt slips, and tickets. As a result, the status of each ticket can not be adequately tracked, nor can tickets be accounted for properly.

Missouri Supreme Court Operating Rule 4 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented to include, but not limited to, a copy of the ticket, case number, defendant's name, amount due the municipal division, bond information, warrants and disposition of the case. In addition, Missouri Supreme Court Operating Rule 8 requires municipal divisions to retain all case file records including ticket logs and copies of tickets issued. Retention of municipal records is essential to establish accountability of municipal division activity and in demonstrating compliance with state law. Effective control of records requires all documents and records to be safeguarded against loss, accessible to the appropriate municipal division employees, and upon reasonable request, accessible to the public. To prevent confusion and allow for tracking, the original case number assigned and ticket number should be documented and remain the same on all court dockets.

- E. The Court Clerk does not file a monthly report with the city of all cases heard in court. Section 479.080, RSMo, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including fines and court costs collected, to be verified by the clerk or Municipal Judge and filed with the City Clerk. This listing should indicate information such as the defendant's name, any fine imposed, the amount of court costs, and whether there was an application for a trial de novo (an application for a new trial before another judge).

WE RECOMMEND the city of Hayti Heights Municipal Division:

- A.1. Issue pre-numbered receipt slips for all monies received, reconcile the composition of receipt slips issued to deposits, and account for the numerical sequence of receipt slips issued.
2. Deposit all monies received intact in a timely manner, prepare deposit slips which clearly indicate which receipts are included, and request the city disburse CVC and POSTC monies to the state. If deemed necessary, the division should establish a petty cash fund to be used to make cash purchases, maintain it on an imprest basis, and retain all supporting documentation for disbursements.
3. Restrictively endorse checks and money orders immediately upon receipt.
- B. Adequately segregate the duties of receiving and depositing monies from that of recording and disbursing monies. If a proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to the amount and composition of bank deposits. Any unusual items or discrepancies noted should be investigated promptly.
- C. Work with the city to ensure all police officers and division employees handling court monies are adequately bonded.
- D. Maintain case files which contain the required information and are retained in compliance with court operating rules. In addition, the division should utilize the original case number for all reports and records.
- E. Prepare monthly reports of cases heard in the court and file these reports with the city in accordance with state law.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

The Board was completely unaware of the operations of the Municipal Court. It has taken immediate action to correct the deficiencies and to implement your recommendations. It is in the process of hiring a new judge and municipal court clerk. I have contacted the State Court Administrator's Office to obtain a copy of the "Municipal Court Clerk's Handbook" for the new clerk. It contains accounting procedures and forms which will address several of the concerns addressed in the audit. In addition, we are checking into the availability of training programs for municipal court clerks through the State Court Administrator's Office.

The Municipal Court records were removed from City Hall by the Chief of Police and kept locked at the police station. The City had demanded the files be returned to City Hall.

The Chief of Police will be required to file all tickets with the municipal court clerk who will post them to the docket and set up folders as individual case files. The City will provide deposit slips for making deposits of municipal court collections to the municipal court account and will require the court clerk to clearly indicate which receipts are deposited. The clerk will be required to deposit all collections intact. The City will provide a budget for the Municipal Court and consider establishing a petty cash fund to the extent needed. The Board will monitor compliance with the procedures and require detailed monthly reports from the City Clerk as recommended in your audit.

The Board is in agreement with your recommendations and will be implementing them. In addition, the City will be obtaining assistance from the State Court Administrator's Office regarding procedures and accounting methods to improve the operation of the Municipal Court and establish fiscal safeguards.

The Board is uncertain how to implement your recommendation for separating the duties of receiving and depositing money from those of recording and disbursing monies. At this point the police department has been collecting bonds and possibly fines. Once the court clerk and court files are moved from the police station back to City Hall, the City Clerk and court clerk will be able to work more closely for collecting and depositing court funds. No disbursements will be made by the municipal court clerk; that function will be the duty of the City Clerk upon order of the court. Distributions will require signature of the City Clerk and that of the Mayor or designated board member.

The city is currently seeking a new City court judge. As part of his responsibilities he/she will be required to review on a monthly basis the dockets, record of bonds, dispositions, cases, fines and costs accrued, and balances owed.

2. Bond Controls and Procedures
--

Bond records are poorly organized and lack proper documentation and controls. As a result, there is no assurance all bond monies collected are accounted for properly. Bond forms are not used to record bonds collected. A bond ledger is not maintained and a listing of open items is not prepared periodically and reconciled to the bonds held. In addition, bond monies collected were used to fund city operations prior to the disposition of the bond by the court.

Bond monies are collected, receipted, placed in their own envelope by the police, and turned over to the Court Clerk. Bond monies collected are deposited by the Court Clerk into the city's Municipal Court Account along with fines and fees collected. The City Clerk is responsible for issuing any refunds of bond monies.

- A. Bond forms are not used to record bonds collected. To ensure all bonds are accounted for and deposited, pre-numbered bond forms should be used and the numerical sequence accounted for properly. Additionally, Missouri Supreme

Court Rule 37.F. requires bond forms to be used for statutory, ordinance, or traffic violations.

- B. A bond ledger is not maintained. In addition, a monthly listing of bond open items is not prepared and reconciled with the bonds held in the city's Municipal Court Account.

A bond ledger indicating the related case, date and amount received, and date of disbursement is necessary to ensure proper accountability over bonds. Monthly listings of open items should be prepared and reconciled to the bonds held to ensure accounting records are in balance and sufficient funds are available for the payment of liabilities.

Preparation of monthly reconciliations would allow differences to be investigated and errors corrected on a timely basis. Additionally, the municipal division should consider maintaining a separate account or fund to track bond transactions.

- C. Some bond monies were used to fund city operations prior to the disposition of the bonds by the court. Bond monies totaling \$2,223 were deposited on July 15, 2008, to the city's Municipal Court Account. On July 23, 2008, the balance in the account was \$483, thereby creating a shortage of \$1,740 to cover bond liabilities. Some of these monies had been transferred to the payroll account.

Bond monies collected represent liabilities of the court prior to the disposition of the bonds and should not be used to fund city operations. Bond monies collected should remain in the bank account until the bond is disposed by the court to provide sufficient funds for payment of liabilities.

WE RECOMMEND the city of Hayti Heights Municipal Division:

- A. Along with the Police Chief, obtain and issue pre-numbered bond forms or receipt slips for all bonds received and ensure all bond forms are accounted for properly.
- B. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances. In addition, the ledger should be reconciled to the bonds held in trust on a monthly basis. Also, the division should consider maintaining a separate bond account or fund to ensure bond monies collected are sufficient for payment of bond liabilities.
- C. Ensure bond monies are sufficient to make payment of bond liabilities and are not used to fund city operations prior to disposition by the court.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

Your audit indicates that bond money was removed from the municipal court account prior to distribution of cases and used to fund the operations of the city. The board was unaware that bond money was being so used. The Mayor and City Clerk would have been responsible for appropriately paying money out of the various city accounts. The Board of Aldermen were unaware of the use of bond money to fund city operations. Until recently they have been provided no information regarding various accounts, money collected, and individual disbursements. They will be taking a more active role managing the City's finances. Among the changes they expect to make will involve maintaining a record for bonds received and a bond ledger to account for bond monies. Likewise, they will not use bond money to pay municipal court or to fund other city operations until a proper disposition of the bonds. The City currently has numerous bank accounts, many of which are inactive or unnecessary.

The City believes that the existing municipal court bank account can be used for bond money collected with stringent record keeping and payment being made only at the conclusion of a case. The City will require the police department and court clerk to use bond forms, They are unfamiliar with the use of "pre-numbered" bond forms or where they can be obtained but are willing to consider their use.

3.

Accrued Costs

Procedures have not been established to adequately monitor accrued costs owed to the municipal division. Defendants are allowed to pay fines and court costs over a period of time. Payments made on the payment plan and the balance due on the account are recorded on the receipt slips issued. A listing of accrued costs is maintained by the Court Clerk; however, it is incomplete and inaccurate. The listing of accrued costs does not include the original amount due, monthly payment amounts, all payments made (including the date paid, the amount paid and the receipt slip number), and the remaining balance due. There is no documentation indicating the Municipal Judge met with or issued a warrant for several defendants who failed to make a payment. Additionally, these cases are not carried forward on the court dockets and there is no indication the Municipal Judge reviewed and approved the accrued costs each month. Court records are poorly organized and lack proper documentation, reducing assurance that all defendants with payment plans are accounted for properly.

A comprehensive control ledger showing the original amounts owed by defendants, all payments made, and the balance due would allow the municipal division to properly monitor the amounts due and ensure deferred payments are processed correctly. All open cases should be shown on the court dockets to ensure the Municipal Judge is aware of all court activities. In addition, the Municipal Judge should review and sign the ledger each month to ensure the listing is accurate and complete.

WE RECOMMEND the city of Hayti Heights Municipal Division establish procedures and controls to ensure all case and payment information is properly documented and reconciled for deferred payment plans. In addition, the division should record all open cases on the court dockets.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

The City agrees with your recommendation for ensuring all case and payment information is properly documented. It expects to adopt the use of a control ledger or docket tracking fines, court costs assessed, payments made and current balances. The court clerk will be required to list cases on the docket and provide payment information to the judge each month until all monies have been paid and accounted for. In addition, such information will be included in the monthly report by the court clerk to the Board of Aldermen.

4.

Court Costs

Crime Victim's Compensation (CVC) and Peace Officer Standards and Training Commission (POSTC) fees are not turned over to the state monthly. In addition, ordinances establishing current court costs have not been updated.

- A. CVC and POSTC fees have not been turned over to the state monthly in accordance with state law. In addition, the Court Clerk does not maintain adequate documentation to support the amounts remitted to the state. CVC and POSTC fees are assessed and collected by the court for violations of municipal ordinances. Prior to May 2008, the fees collected were deposited into the Municipal Court Account held by the city with other fines and costs; however, neither the city nor the Court Clerk disbursed these monies monthly to the state as required. Division personnel could not provide any documentation indicating they had submitted information to the city which would allow city personnel to make the monthly turnover to the state for these fees. In June 2008, the Court Clerk began withholding cash from deposits to the city's Municipal Court Account to purchase money orders to pay these fees to the state.

The state Department of Public Safety indicated CVC fees were not remitted to the state for numerous months. In addition, POSTC fees collected have not been remitted. Currently, the municipal division has no estimate of the amounts owed to the state for CVC and POSTC fees. In addition, court records are in poor condition and determining these amounts will be difficult if not impossible. The city's Municipal Court Account had a negative balance of (\$141) as of June 30, 2008. The account does not have sufficient funds to cover liabilities for the CVC and POSTC fees collected but not remitted to the state.

The current Court Clerk remitted CVC fees in June 2008 for January through May 2008. She simply noted the number of cases for each month; however, no documentation could be provided to reconcile the number of cases shown to actual tickets or court dockets. Court dockets for January 2008 showed 6 tickets were paid but the Court Clerk's notes show that monies for 11 cases were remitted to the state. For February 2008, court dockets indicate 8 tickets were paid; however, fees for 14 tickets were remitted to the state. Similar discrepancies were noted for March and April, 2008.

Section 595.045, RSMo, requires 95 percent of the CVC fees to be paid monthly to the state. POSTC fees, established by Section 488.5336, RSMo, should also be disbursed to the state monthly. To ensure the proper amount is remitted to the state, records should clearly document the amount of CVC and POSTC fees collected each month.

- B. The court assesses court costs and fees totaling \$22.50 for municipal violations. Court costs were established under city ordinance 72.240; however, this ordinance has not been updated to reflect current court costs charged. The city has not established ordinances authorizing the fees assessed for CVC, POSTC, and Law Enforcement Training. Court costs assessed should be established by city ordinance to ensure compliance with state law.

WE RECOMMEND the city of Hayti Heights Municipal Division:

- A. Remit CVC and POSTC fees to the state monthly in accordance with state law. In addition, the division should maintain records in a manner to ensure all fees collected are properly distributed.
- B. Request the city establish ordinances authorizing the fees collected for CVC, POSTC, and Law Enforcement Training.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

The City will adopt an ordinance authorizing it to collect fees for CVC and POSTC and Law Enforcement Training. With the documentation and training of a new municipal court clerk, the City will be able to track the disposition of cases and account for monies due the State. The court clerk will be required to reconcile the tickets and payments to determine the amounts to be paid. The information you provided in the audit states that the "court clerk failed to maintain adequate documentation to support the amounts remitted to the State". Your data indicates the former court clerk remitted to the State CVC and POSTC fees in more cases than payments were received. If that is actually the case, the court clerk paid out of the city court account more fees than she was collecting. Another possibility is that the court clerk was unqualified for the position and was careless in accounting for money she received. The City hopes to employ a better qualified court clerk and require her to go through training for the position.

Neither the police department nor the municipal division maintain adequate records to account for tickets assigned and issued, and their ultimate disposition. As a result, there is no assurance all tickets issued are accounted for properly. A ticket book is assigned to each police car and multiple officers issue tickets from the book assigned to each car. While the Police Chief indicated a log of ticket books assigned to each car is maintained, no current logs were available. Additionally, our review of a block of ten tickets revealed one ticket could not be located. No log is maintained by the police department of tickets issued and submitted to the division for processing. The Court Clerk does not indicate the ticket number on any of the court records.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets, the police department and the municipal division cannot be assured that all tickets assigned and issued are properly submitted to the division. A log listing ticket books assigned, each ticket number, the date each ticket is issued, and the violator's name would ensure all tickets issued are submitted to the municipal division for processing or properly voided. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly.

WE RECOMMEND the city of Hayti Heights Municipal Division work with the police department to implement the necessary procedures and records to account for the numerical sequence of all tickets assigned to vehicles or officers, and tickets issued and their ultimate disposition.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

The City is working with the Police Department to establish procedures for accounting for all tickets issued and filing them with the Municipal Court and showing the final disposition of all tickets. Each officer will be assigned a single ticket book from which to write tickets. The tickets in the books are in numerical sequence. Any ticket written but not issued or spoiled will be retained by the officer in a separate file for review by the municipal judge and city attorney each month and included in regular reports to the Board of Aldermen. All other tickets are to be filed with the court clerk who will docket the case and assign a case number and ticket number.

The City will be working closely with the court clerk to implement procedures and develop formats for processing tickets, showing actions taken and disposition of all cases, and making monthly reports to the Board.

6.**Computer Controls**

Computer systems and data are vulnerable to unauthorized use, modification, or destruction due to not limiting access and not keeping passwords confidential. In addition, daily back-ups are not performed and stored off-site.

- A. Access to various court records on the computer system is not adequately limited. Although passwords are required to log in, the Court Clerk indicated the court files are accessible to all users.

To establish individual responsibility and to help preserve the integrity of computer systems and data files, access should be limited to authorized individuals through the use of access controls. Unauthorized access can result in the deletion or alteration of data files and programs.

- B. Passwords are not changed on a periodic basis to ensure confidentiality. The security of a password system is dependent upon keeping passwords confidential. However, passwords are not periodically changed to help ensure they remain known only to the assigned user and to reduce the risk of compromised passwords. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities.

Passwords should be unique and confidential, changed periodically to reduce the risk of unauthorized use, and used to restrict individuals' access to only those computer systems and data files they need to accomplish their jobs.

- C. Backup copies of computer programs and data are not prepared and stored offsite. Backup copies of computer information are necessary to provide a means for recreating destroyed data. Backup copies should be maintained and stored off-site to provide increased assurance that court data can be recreated.

WE RECOMMEND the city of Hayti Heights Municipal Division:

- A. Ensure access to specific computer programs/data files is restricted to authorized individuals through a system of passwords and security codes.
- B. Require passwords for all employees which are confidential and periodically changed to prevent unauthorized access to the division's computer systems and data.
- C. Ensure backup copies of computer programs and data are prepared periodically and stored in a secure, off-site location.

AUDITEE'S RESPONSE

The Board of Aldermen and the City Attorney provided the following written response:

Your audit refers to computer controls for municipal court records. In particular, you noted that the municipal court clerk did not maintain back-up copies of computer data. You further stated that access to the computer system and data was not restricted and was subject to unauthorized use, modification or destruction. You also noted that no case files were maintained.

The Board of Aldermen was uninformed that the court clerk was using a computer for municipal court records and files. It had never provided a computer for the clerk's use. As we mentioned, the Chief of Police removed the court files and took them to the police station. It is likely that court records were maintained on the police department computer which would have also been accessible by the chief of police in addition to the court clerk.

The City will attempt to have a back-up copy made of any municipal court data on the computer. Should the City obtain a computer for the municipal court, it believes that all your recommendations should be implemented.

The Board of Aldermen expects to take an active roll in monitoring the operations of the Municipal Court and in particular use of bond deposits as well as distribution of fines collected. The members of the Board will be attempting to implement your recommendations over the next few months as they are able to get the municipal court staffed and back in operation.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

THIRTY-FOURTH JUDICIAL CIRCUIT
CITY OF HAYTI HEIGHTS
MUNICIPAL DIVISION
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The city of Hayti Heights Municipal Division is in the Thirty-Fourth Judicial Circuit, which consists of Pemiscot County. The Honorable Fred Copeland 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.

Personnel

At June 30, 2008, the municipal division employees were as follows:

Municipal Judge	Derrick R Williams *
Court Clerk	Takendra Herrod **

* Stephen Keating served as Municipal Judge prior to April 2008. Derrick Williams was terminated as Municipal Judge in October 2008. A new judge has not been appointed.

**Jacqueline Brooks served as Court Clerk prior to September 2007. Takendra Herrod was terminated as Court Clerk in September 2008. A new Court Clerk has not been appointed.