



**Thomas A. Schweich**  
Missouri State Auditor

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# Twenty-First Judicial Circuit

## City of Moline Acres Municipal Division

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October 2012  
Report No. 2012-131



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Twenty-First Judicial Court, City of Moline Acres Municipal Division

Ticket Controls and Procedures	Neither the Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued, making it difficult to ensure all tickets issued are properly submitted for processing. The municipal division and the city lack procedures to track tickets issued on the state highway and the related fines and court costs collected. State law requires municipalities deriving more than 35 percent of their annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to turn the excess over to the Department of Revenue for distribution to schools of the county. It appears total fines and court costs for violations on the state highway did not exceed 35 percent of operating revenue for calendar year 2011.
Bond Liabilities	The Court Administrator does not prepare a list of liabilities to compare to the reconciled balance of the bond account. The list prepared at our request was not accurate, due to several older bonds which should not have been included.
Traffic Signal Account	Fines and courts costs collected by the court for traffic signal camera violations are not transmitted to the city treasury at least monthly, as required by state law.

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

American Recovery and Reinvestment Act (Federal Stimulus)	The Twenty-First Judicial Circuit, City of Moline Acres Municipal Division did not receive any federal stimulus monies during the audited time period.
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\*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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# Twenty-First Judicial Circuit

## City of Moline Acres Municipal Division

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Twenty-First Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Moline Acres, Missouri

We have audited certain operations of the City of Moline Acres Municipal Division of the Twenty-First 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, 2011. The objectives of our audit were to:

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

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no instances of noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Moline Acres Municipal Division of the Twenty-First Judicial Circuit.



Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: Regina Pruitt, CPA  
Audit Manager: Mark Ruether, CPA  
In-Charge Auditor: Katie Twiehaus

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# Twenty-First Judicial Circuit

## City of Moline Acres Municipal Division

### Management Advisory Report - State Auditor's Findings

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#### **1. Ticket Controls and Procedures**

Procedures are not adequate to account for the disposition of traffic tickets issued or track the location of traffic violations to ensure compliance with the state excess revenue law.

##### 1.1 Accountability

Neither the Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, the disposition of individual tickets issued is not tracked.

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

##### 1.2 Monitoring of excess revenues

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

The Police Department issues tickets on a state highway located in the city, and we reviewed the location of traffic tickets issued for all court cases processed during October 2011. Based on that review and other audit procedures, it appears total fines and court costs for violations on the state highway did not exceed 35 percent of general operating revenue for the year ended December 31, 2011. The city's audited financial statements for 2011 indicated fines and court costs from all sources totaled \$698,919, representing approximately 40 percent of the city's general operating revenues of \$1.73 million. Therefore, it is important the city and the municipal division work together to monitor for excess revenues.

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

#### **Recommendations**

The City of Moline Acres Municipal Division:

- 1.1 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.



- 1.2 Work with the City of Moline Acres to track the collection of fines and court costs for traffic violations on the state highway to ensure compliance with the excess revenue state law.

## Auditee's Response

*The Municipal Division and the City Administrator provided the following written responses:*

- 1.1 *As of April 2012, the Police Department transitioned from issuing paper tickets to automated ticketing on handheld machines. This process has an automated numerical system that tracks the ticket numbers that are issued and is uploaded into the court system. All ticket corrections/voids are controlled and tracked by the Court Administrator to prevent any loss of tickets.*
- 1.2 *A monthly report will be generated each month and turned into both the city's Bookkeeper and Financial Advisor so that ticket percentages can be monitored regarding the state highway. At the end of each fiscal year a total will be calculated and any excess revenue will be distributed to the correct state department.*

## 2. Bond Liabilities

Lists of liabilities are not prepared and compared to the reconciled balance of the bond account. At our request, the Court Administrator prepared a list of open bonds at December 31, 2011. The reconciled bond account balance at that date was \$36,996, while the liabilities list prepared by the Court Administrator noted 241 open bonds with total liabilities of \$47,200.

The Court Administrator indicated the listing may not be accurate because many of the older bonds on the list were forfeited, refunded, or used to satisfy fines and court costs. We reviewed case files for 50 bonds on the list and noted 23 bonds totaling \$5,331 were disbursed by check from the bond account and should not be included in total liabilities. After adjusting the difference between the reconciled bond account balance and the liabilities list for the errors identified, the liabilities list still exceeds the bond account balance, indicating a shortage of \$4,893. Based on this work, it is likely the list contains other errors.

Monthly lists of liabilities are necessary to ensure all bond dispositions have been properly recorded. In addition, monthly reconciliations between the open bonds maintained by the court and the bonds held in the bond bank account are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

## Recommendation

The City of Moline Acres Municipal Division prepare accurate monthly lists of open bonds and reconcile the related liabilities to the reconciled bank balance. Any discrepancies and account shortages should be investigated and resolved in a timely manner.



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## Auditee's Response

*The Municipal Division provided the following written response:*

*As of February 2012, the Municipal Division has upgraded the court system that allows us to better track any open, closed and refunded bonds. Monthly reports have been and will continue to be distributed to the city's Bookkeeper so that she is able to reconcile the account on a monthly basis allotting enough time to catch any errors that may occur before the end of the year. The Municipal Division will review and correct any remaining discrepancies between the reconciled bond bank account balance and the liabilities listing.*

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## 3. Traffic Signal Account

Fines and court costs collected by the municipal division for traffic signal camera violations are not transmitted to the city treasury monthly as required by state law.

Our review of the court's Traffic Signal Account noted total receipts of approximately \$45,000 during 2011 and a balance of \$14,096 at December 31, 2011. Fines and court costs are received and deposited into the account on a daily basis; however, the court made only three transmittals of \$10,000 each from this account to the city's general account during the year ended December 31, 2011.

Section 479.080, RSMo, requires the municipal division to disburse fines and court costs to the city at least monthly. In addition, timely transmittal of monies to the city reduces the risk of loss or misuse of funds.

## Recommendation

The City of Moline Acres Municipal Division ensure all fines and court costs are transmitted monthly to the city treasury as required by state law.

## Auditee's Response

*The Municipal Division provided the following written response:*

*Since it is required by state law to make monthly transfers of any court camera revenue, the city's Bookkeeper will make monthly transfers to the city's general account which will be a total of twelve (12) transfers a year leaving no more than \$1,000 in the account.*

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# Twenty-First Judicial Circuit

## City of Moline Acres Municipal Division

### Organization and Statistical Information

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The City of Moline Acres Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable Maura McShane serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At December 31, 2011, the municipal division employees were as follows:

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Title	Name
Municipal Judge	Marc Burstein
Court Administrator	Shadress Burks
Assistant Court Administrator	Libby Ferguson

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#### Financial and Caseload Information

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	Year Ended December 31, 2011
Receipts	\$698,919
Number of cases filed	7,426

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#### American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Moline Acres Municipal Division did not receive any federal stimulus monies during the year ended December 31, 2011.