



TWENTIETH JUDICIAL CIRCUIT

MUNICIPAL DIVISIONS

YEARS ENDED 1998 AND 1997

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-29
April 29, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

The following audit report presents our findings and recommendations for the municipal divisions of the Twentieth Judicial Circuit. During our audit, we identified accounting records, controls, and certain management practices which we believe could be improved. The municipal divisions in which specific findings and recommendations were noted are listed below:

City of Gerald	<i>pages 24-25</i>
City of Hermann	<i>pages 25-26</i>
City of New Haven	<i>pages 26-27</i>
City of Owensville	<i>pages 27-28</i>
City of Pacific	<i>pages 28-30</i>
City of St. Clair	<i>pages 30-31</i>
City of Sullivan	<i>pages 32-33</i>
City of Union	<i>page 34</i>

We had no findings or recommendations for the municipal divisions of the **City of Bland** and the **City of Washington**.

Actions taken by the various municipal divisions of the Twentieth Judicial Circuit on recommendations made in the prior report are noted on pages 35-51.

YELLOW SHEET

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS

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MUNICIPAL DIVISIONS

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Presiding Judge
and
Municipal Judges
Twentieth Judicial Circuit

We have audited the accompanying special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; June 30, 1998 and 1997; and April 30, 1998 and 1997, as identified by municipality and fiscal period in the table of contents. These special-purpose financial statements are the responsibility of the municipal divisions' management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in paragraphs four through nine, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of the municipal divisions of the Twentieth Judicial Circuit and are not intended to be a complete presentation of the financial position and results of operations of the municipal divisions.

Records accounting for the numerical sequence and ultimate disposition of each complaint issued by the police department for the city of Sullivan were not maintained. In addition, prenumbered receipt slips or bond forms for bond monies received were not properly accounted for by the police department. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended September 30, 1998 and 1997.

Records accounting for the numerical sequence and ultimate disposition of each summons issued by the city attorney for the city of Hermann were not maintained. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended June 30, 1998 and 1997.

Records accounting for the numerical sequence and ultimate disposition of each summons issued by the police department for the city of New Haven were not maintained. In addition, prenumbered bond forms for bond monies received were not properly accounted for by the police department. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended June 30, 1998 and 1997.

Records accounting for the numerical sequence and ultimate disposition of each summons issued by the police department for the city of Owensville were not maintained. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended June 30, 1998 and 1997.

Records accounting for the numerical sequence and ultimate disposition of each summons issued by the police department for the city of Union were not maintained prior to April 1997. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the year ended June 30, 1997.

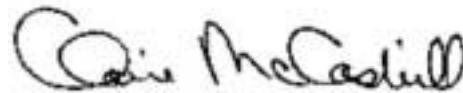
Records accounting for the numerical sequence and ultimate disposition of each summons issued by the police department for the city of St. Clair were not maintained. In addition, prenumbered receipt slips or bond forms were not issued for bond monies received by the police department. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended April 30, 1998 and 1997.

Governmental Accounting Standards Board Technical Bulletin 99-1, *Disclosures about Year 2000 Issues--an amendment of Technical Bulletin 98-1*, requires disclosure of certain matters regarding the year 2000 issue. Such required disclosures include any significant amount of resources committed to address year 2000 issues for computer systems and other electronic equipment; a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to address year 2000 issues for computer systems and other electronic equipment critical to conducting operations; and an indication that the completion of these stages is not a guarantee that systems and equipment will be year 2000-compliant. The various municipal divisions of the Twentieth Judicial Circuit have omitted such disclosures. We do not provide assurance that the municipal divisions are or will become year 2000-compliant, that the municipal divisions' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the municipal divisions do business will become year 2000-compliant.

In our opinion, except for the effects, if any, on the financial statements of the matters discussed in the preceding seven paragraphs, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of the municipal divisions of the Twentieth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; June 30, 1998 and 1997; and April 30, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated February 16, 1999, on our consideration of the municipal divisions' internal controls over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal divisions' management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

February 16, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Presiding Judge
and
Municipal Judges
Twentieth Judicial Circuit

We have audited the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; June 30, 1998 and 1997; and April 30, 1998 and 1997, and have issued our report thereon dated February 16, 1999. That report expressed a qualified opinion on the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit for the applicable fiscal periods. Except as discussed in the report on the financial statements of the municipal divisions referred to in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit are free of material misstatement, we performed tests of the municipal divisions' compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain other instances of noncompliance which are presented in the accompanying Management Advisory Report.

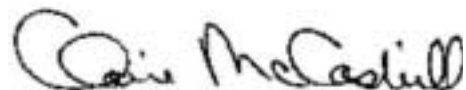
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit, we considered the municipal divisions' internal controls over financial reporting in order to determine our auditing procedures for the

purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal controls over financial reporting. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the municipal divisions' ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal controls that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the various municipal divisions of the Twentieth Judicial Circuit and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

February 16, 1999 (fieldwork completion date)

Financial Statements

Exhibit A

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Gerald	
	Year Ended December 31,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 11,242	20,209
Total Receipts	11,242	20,209
DISBURSEMENTS		
City treasury	9,071	13,829
State of Missouri	525	880
Refunds and other	4,439	2,329
Total Disbursements	14,035	17,038
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,793	3,171
CASH, JANUARY 1	3,321	150
CASH, DECEMBER 31	\$ 528	3,321

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Sullivan	
	Year Ended September 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 107,974	91,551
Total Receipts	<u>107,974</u>	<u>91,551</u>
DISBURSEMENTS		
City treasury	38,858	40,850
State of Missouri	5,348	4,799
Refunds and other	<u>61,886</u>	<u>45,245</u>
Total Disbursements	<u>106,092</u>	<u>90,894</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,882	657
CASH, OCTOBER 1	<u>4,030</u>	<u>3,373</u>
CASH, SEPTEMBER 30	<u>\$ 5,912</u>	<u>4,030</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Washington	
	Year Ended September 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 153,573	162,506
Total Receipts	<u>153,573</u>	<u>162,506</u>
DISBURSEMENTS		
City treasury	110,671	111,179
State of Missouri (Note 3)	0	0
Refunds and other	<u>38,585</u>	<u>51,142</u>
Total Disbursements	<u>149,256</u>	<u>162,321</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,317	185
CASH, OCTOBER 1	<u>4,857</u>	<u>4,672</u>
CASH, SEPTEMBER 30	<u>\$ 9,174</u>	<u>4,857</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Bland Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 10,211	11,365
Total Receipts	10,211	11,365
DISBURSEMENTS		
City treasury	8,911	11,215
State of Missouri (Note 3)	0	0
Refunds and other	300	150
Total Disbursements	9,211	11,365
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000	0
CASH, JULY 1	8	8
CASH, JUNE 30	\$ 1,008	8

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

		City of Hermann	
		Year Ended June 30,	
		1998	1997
RECEIPTS			
Fines, costs, bonds, and other	\$	8,729	10,628
Total Receipts		8,729	10,628
DISBURSEMENTS			
City treasury		6,746	9,123
State of Missouri		793	542
Refunds and other		1,242	982
Total Disbursements		8,781	10,647
RECEIPTS OVER (UNDER) DISBURSEMENTS		-52	-19
CASH, JULY 1		281	300
CASH, JUNE 30	\$	229	281

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of New Haven Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 38,741	24,579
Total Receipts	<u>38,741</u>	<u>24,579</u>
DISBURSEMENTS		
City treasury	28,662	17,290
State of Missouri (Note 3)	0	0
Refunds and other	8,488	6,063
Total Disbursements	<u>37,150</u>	<u>23,353</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,591	1,226
CASH, JULY 1	<u>1,401</u>	<u>175</u>
CASH, JUNE 30	<u>\$ 2,992</u>	<u>1,401</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Owensville Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 15,262	20,252
Total Receipts	<u>15,262</u>	<u>20,252</u>
DISBURSEMENTS		
City treasury	236	13,688
State of Missouri	674	928
Refunds and other	<u>3,812</u>	<u>5,689</u>
Total Disbursements	<u>4,722</u>	<u>20,305</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	10,540	-53
CASH, JULY 1	<u>710</u>	<u>763</u>
CASH, JUNE 30	<u>\$ 11,250</u>	<u>710</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Pacific	
	Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 237,120	146,683
Total Receipts	<u>237,120</u>	<u>146,683</u>
DISBURSEMENTS		
City treasury	146,776	98,144
State of Missouri	31,451	17,719
Refunds and other	<u>50,804</u>	<u>28,632</u>
Total Disbursements	<u>229,031</u>	<u>144,495</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,089	2,188
CASH, JULY 1	<u>15,941</u>	<u>13,753</u>
CASH, JUNE 30	<u>\$ 24,030</u>	<u>15,941</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Union	
	Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 62,150	63,187
Total Receipts	62,150	63,187
DISBURSEMENTS		
City treasury	49,197	50,418
State of Missouri	3,673	3,493
Refunds and other	8,637	8,869
Total Disbursements	61,507	62,780
RECEIPTS OVER (UNDER) DISBURSEMENTS	643	407
CASH, JULY 1	2,317	1,910
CASH, JUNE 30	\$ 2,960	2,317

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of St. Clair Year Ended April 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 94,404	82,375
Total Receipts	94,404	82,375
DISBURSEMENTS		
City treasury	62,139	50,409
State of Missouri	5,349	4,524
Refunds and other	26,053	25,701
Total Disbursements	93,541	80,634
RECEIPTS OVER (UNDER) DISBURSEMENTS	863	1,741
CASH, MAY 1	13,833	12,092
CASH, APRIL 30	\$ 14,696	13,833

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the funds administered by the various municipal divisions of the Twentieth Judicial Circuit of the state of Missouri.

Receipts, disbursements, and changes in cash are presented for each municipal division. The operating costs of each division are paid by the respective municipality and are not included in these financial statements.

The municipal division is responsible for cash bonds posted until case disposition allows appropriate disbursement. Bond monies relating to pending cases, whether in the custody of the city or the municipal division, are included in these financial statements.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash are prepared on the cash basis of accounting; accordingly, amounts are recognized when they are received or disbursed. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The municipal divisions account for fines and court costs resulting from prosecution of violations of municipal ordinances before the municipal judge or received through the traffic violations bureau, as well as cash bonds posted. Municipal violations could include traffic offenses, both moving and nonmoving; parking meter and overtime parking offenses; and other violations for which amounts are received by the municipal divisions and remitted to the city treasury. The municipal divisions also may account for restitutions received and disbursed through the divisions.

2. Cash

Section 479.080, RSMo 1994, requires municipal divisions to deposit fines and court costs into the city treasury at least monthly. Some divisions maintain bank accounts into which

finances and court costs are deposited and later remitted to the city treasury. Other divisions do not maintain bank accounts, transmitting fines and court costs directly to the city treasury. Escrow bank accounts for bond monies received may be maintained by the city or the municipal division.

At the financial statement dates identified in the table of contents for the years ended 1998 and 1997, all bank account balances reported for the municipal divisions of the Twentieth Judicial Circuit were entirely covered by federal depository insurance.

3. Disbursements to State

The municipal divisions collect various amounts that must be remitted to the state of Missouri. These amounts include the surcharges for the Crime Victims' Compensation and Services to Victims Funds, the Peace Officer Standards and Training Commission Fund, and (until July 1, 1997, when municipal divisions were no longer required to assess the surcharge) the Independent Living Center Fund. The state's portions of these amounts are deposited into the city treasury for all municipal divisions, except the municipal divisions of the city of Gerald, city of Sullivan, city of Hermann, city of Owensville, city of Pacific, city of Union and city of St. Clair. Amounts remitted by the cities to the state are not included in the financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit as of and for the years ended December 31, 1998 and 1997, September 30, 1998 and 1997, June 30, 1998 and 1997, and April 30, 1998 and 1997, and have issued our report thereon dated February 16, 1999. That report expressed a qualified opinion on the special-purpose financial statements of the various municipal divisions of the Twentieth Judicial Circuit for the applicable fiscal periods.

The following Management Advisory Report presents our findings and recommendations arising from our audit of the municipal divisions' special-purpose financial statements. During our audit, we also identified certain management practices which we believe could be improved. Our audit was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

1.	City of Gerald Municipal Division
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- A. The duties of receiving, recording, and depositing fine, court cost, restitution, and bond monies and disbursing all monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all of these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited. In addition, there should be a documented review of the bank reconciliations.
- B. The Court Clerk accepts cash, checks, and money orders for the payment of fines, court costs, bonds, and restitutions. However, these receipts are not deposited on a timely basis. Deposits are generally made once a week and average in excess of \$500. To adequately safeguard receipts and to reduce the risk of loss or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of Gerald Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *As of January 1, 1999, the City Clerk reviews and initials the bank reconciliations on a monthly basis and bank deposit receipts are attached to the court collections log or bond log.*
- B. *As of April 1, 1999, deposits are being made daily or when accumulated to \$100.*

2.	City of Hermann Municipal Division
-----------	---

- A. The duties of receiving, recording, and transmitting fine and court cost monies collected by the municipal division, as well as depositing, disbursing, and reconciling the bond account, are not adequately segregated. Currently, the Court Clerk performs all of these duties. The Police Chief was reviewing monthly bank reconciliations, however, he discontinued this practice during the audit period. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts transmitted and deposited. In addition, there should be a documented review of the bank reconciliations.
- B. Summonses (complaints) issued for violations of city ordinances and criminal offenses are issued by the city attorney. These summonses are not prenumbered and a summons log is not maintained to track the issuance and disposition of these summonses. To ensure summonses are properly turned into the municipal division for processing, summonses should be prenumbered and accounted for in a summons log.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of Hermann Municipal Division:

- A. Establish a documented review of municipal division records by an independent person.
- B. Request the city attorney issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *Attempts will be made to get the City Clerk to do the suggested review.*
- B. *This will be discussed with the City Attorney again; however, discussions with him after the last audit indicated he was unwilling to make any changes.*

3. City of New Haven Municipal Division
--

- A. The municipal division accepts cash, checks, and money orders for fines, court costs, bonds and restitution. Receipt slips issued by the municipal division do not always indicate the method of payment received. To ensure all receipts are transmitted to the city or deposited intact, the method of payment should be indicated on all receipt slips. The composition of receipt slips should be reconciled to the composition of monies transmitted or deposited.
- B. Bond forms issued by the police department serve as the receipt slip to the defendant. Although these bond forms are prenumbered, the number is located at the top of the pad and therefore is detached from the bond form when removed from the pad. As a result, the numerical sequence cannot be accounted for properly. To adequately account for monies received and to ensure all receipts are deposited, detached bond forms issued by the police department should include the number preassigned to that document and their numerical sequence accounted for properly.
- C. Summonses (complaints) issued for violations of city ordinances and criminal offenses are issued by the city police department. These summonses are manually numbered by the police department instead of being prenumbered by the printer and a summons log is not maintained to track the issuance and disposition of these summonses. To ensure summonses are properly turned into the municipal division for processing, summonses should be prenumbered and accounted for in a summons log.

A similar condition was also noted in our prior report.

WE RECOMMEND the city of New Haven Municipal Division:

- A. Indicate the method of payment on all receipt slips issued and reconcile the composition of receipt slips issued to the composition of monies transmitted or deposited.

- B. Request the police department issue bond forms that include the preassigned document number on the detached form and account for the numerical sequence.
- C. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *This procedure has now been instituted.*
- B. *This has been brought to the police department's attention and they have started numbering all bond sheets. Every bond form issued will be accounted for.*
- C. *This has been brought to the attention of the police department and will also make the Mayor and Aldermen aware of this. However, the court has no control over the police department's procedures.*

4.	City of Owensville Municipal Division
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- A. The duties of receiving, recording, and depositing fine, court cost, restitution, and bond monies and disbursing all monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all of these duties. The Deputy City Clerk performs monthly bank reconciliations and the Municipal Judge reviews the one-write ledger; however, there is no independent supervisory review of the reconciliation between recorded receipts and deposits. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited.
- B. Fines, court costs, restitutions and bonds are not always deposited on a timely basis. Receipts are usually deposited about two or three times a month and average approximately \$350. During our review, we noted court costs and fines of \$679 received on June 11, 1998 was not deposited until July 6, 1998. Two bonds received on November 17, 1997 in the amounts of \$400 and \$100 were not deposited until December 10, 1997. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited daily or when accumulated receipts exceed \$100.
- C. Fines and court costs collected are not turned over to the city treasury on a monthly basis. Fines and court costs are being remitted to the city once a year, usually at or

near the end of the fiscal year. These yearly remittances totaled approximately \$10,000 and \$13,400 for the years ended June 30, 1998 and 1997, respectively. Section 479.080, RSMo 1994, states that all fines and court costs shall be paid to and deposited monthly into the city treasury.

- D. Summonses (complaints) issued for violations of city ordinances and criminal offenses are issued by the city police department. These summonses are not prenumbered and a summons log is not maintained to track the issuance and disposition of these summonses. To ensure summonses are properly turned into the municipal division for processing, summonses should be prenumbered and accounted for in a summons log.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of Owensville Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, the division should establish a documented independent comparison of receipt slips issued to amounts deposited.
- B. Deposit all court receipts on a daily basis or when accumulated receipts exceed \$100.
- C. Remit fines and court costs to the city treasury on a monthly basis as required by state law.
- D. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *We will ensure someone independent compares receipt slips to the deposits.*
- B. *The examples noted were unusual situations and since then more time and attention has been devoted to the court and making the deposits more timely.*
- C. *This will be implemented.*
- D. *This has been implemented.*

5. City of Pacific Municipal Division
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- A. The duties of receiving, recording, and depositing fine, court cost, restitution, and bond monies and disbursing all monies collected by the municipal division are not

adequately segregated. Currently, the Court Clerk performs all of these duties. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts deposited. In addition, there should be a documented review of the bank reconciliations.

- B. The Court Clerk accepts cash, checks, and money orders for the payment of fines, court costs, bonds, and restitutions. However, these receipts are not deposited on a timely basis. Deposits are generally made once a week and range from \$1,000 to \$2,500. To adequately safeguard receipts and to reduce the risk of loss or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100.
- C. The bond ledger does not include the disposition of the bonds. Complete information regarding bond receipts and disbursements is necessary to ensure all cash bonds have been accounted for properly.
- D. The police department accepts cash, checks, and money orders for bonds and issues prenumbered bond forms to document the receipt of monies. These collections are not maintained in a secure location and they are not transmitted to the Court Clerk on a timely basis. Receipts are placed in an envelope and kept in a locked box on the wall of the police department; however, the opening of the box is sufficient to allow access to the monies. We noted one instance where a \$200 bond was collected by the police department in April 1997 and not transmitted to the Court Clerk. Neither the police department nor the Court Clerk accounted for the numerical sequence of bond forms at that time and therefore did not notice the missing bond number. Transmittals are made approximately once every two weeks and average in excess of \$1,000.

To adequately safeguard bond receipts and reduce the risk of loss or misuse of funds, any monies held by the police department should be maintained in a secure location and transmittals to the Court Clerk should be made daily or when accumulated receipts exceed \$100. In addition, the numerical sequence of bond forms should be accounted for fully.

Conditions similar to parts A-C were also noted in our prior report.

WE RECOMMEND the city of Pacific Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, the division should establish a documented review of municipal division records by an independent person.

- B. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.
- C. Ensure the dispositions or all bonds are recorded in the bond ledger.
- D. Request to the police department to maintain bond receipts in a secure location and transmit monies to the Court Clerk daily or when accumulated receipts exceed \$100. The police department and the Court Clerk should also account for the numerical sequence of bond forms during the transmittal process.

AUDITEE'S RESPONSE

The Municipal Judge provided the following responses:

- A. *We will ensure someone independent reconciles the receipt slips to the amounts deposited.*
- B. *We are trying to improve our efficiency by depositing on a more frequent basis.*
- C. *Dispositions are now being entered in the bond journal.*
- D. *We will discuss the locked box situation with the police department. We are now accounting for the numerical sequence of bond forms during the transmittal from the police department.*

6.	City of St. Clair Municipal Division
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- A. During our review, we noted the following concerns related to bonds:
 - 1) Neither the receipt slips nor the bond forms issued by the police department for the receipt of bonds are prenumbered. To adequately account for all bond receipts and to ensure these monies are properly transmitted to the municipal division, prenumbered receipt slips or bond forms should be issued for all bonds received by the police department and their numerical sequence should be accounted for properly.
 - 2) At April 30, 1998, seven bonds over one year old, totaling \$1,214, remained in the municipal division's bank account. One bond was over ten years old. If the defendant failed to make the required court appearance, the bond should be forfeited and monies paid over to the city treasury as provided in Section 479.210, RSMo 1994. If the bond cannot be forfeited, Section 447.595, RSMo 1994, requires bonds remaining unclaimed for one year after disposition of the case be turned over to the state's Unclaimed Property Section.
- B. Sixteen restitution accounts totaling \$491 had no activity for the year ended April 30, 1998. An attempt should be made to collect any additional amounts due or determine

the proper disposition of these monies and issue checks to the appropriate parties. If the appropriate parties cannot be located, these monies should be remitted to the state's Unclaimed Property Section in accordance with Section 447.595, RSMo 1994.

- C. Summonses (complaints) issued for violations of city ordinances and criminal offenses are issued by the police department. These summonses are not prenumbered and a summons log is not maintained to track the issuance and disposition of these summonses. Although the Police Chief records each summons in his records, there is no assurance that all summonses were presented to the Police Chief. To ensure summonses are properly turned into the municipal division for processing, summonses should be prenumbered and accounted for in a summons log.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of St. Clair Municipal Division:

- A.1. Request the police department to issue prenumbered receipt slips or bond forms for all bond monies received and account for the numerical sequence of the receipt slips or bond forms.
- 2. Attempt to locate those defendants who are entitled to a bond refund and return the bond amount. For those bonds that the owner can not be located, the unclaimed bonds should be disposed of in accordance with state law.
- B. Attempt to collect any additional amounts due or determine the proper disposition of these monies and issue checks to the appropriate parties. If the appropriate parties cannot be located, these monies should be turned over to the state's Unclaimed Property Section.
- C. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk provided the following responses:

- A.1. *The police department has a large supply of bond forms on hand. When additional bonds are needed we will order prenumbered forms.*
- 2. *We will check to see if we still have any old outstanding bonds. We have made a conscious effort to pay out all bonds.*
- B. *We have attempted to collect these monies; however, sometimes these people are incarcerated or do not currently have jobs. We do not want to make partial payments because it is difficult to maintain the records and the merchants do not keep track of the*

payments. We have updated our city ordinance which should reduce the number of bad checks.

C. *When the current supply is depleted we will order prenumbered summonses.*

7. City of Sullivan Municipal Division

A. During our review, we noted the following concerns related to receipts:

- 1) The municipal division accepts cash, checks, and money orders for fines, court costs, restitution, and bonds. Receipt slips issued by the municipal division do not always indicate the method of payment received. To ensure receipts are transmitted to the City Collector or deposited intact, the method of payment should be indicated on all receipt slips. The composition of receipt slips issued should be reconciled to the composition of monies transmitted or deposited.
- 2) Checks and money orders received for the payment of fines and court costs are not restrictively endorsed immediately upon receipt. The checks and money orders are endorsed by the City Collector after the Court Clerk has transmitted the monies. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- 3) Bonds and restitution monies are not deposited to their respective bank accounts on a timely basis. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be deposited daily or when accumulated receipts exceed \$100.
- 4) Fines and court costs are not transmitted to the City Collector on a daily basis and are not transmitted intact. Receipts are transmitted approximately twice a week; however, CVC and POSTC monies collected are kept in the vault until a monthly deposit is made to the bond bank account. CVC and POSTC is then disbursed to the state and to the city from the bond bank account. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be transmitted to the City Collector daily or when accumulated receipts exceed \$100 and transmittals should be made intact.

B. The police department did not maintain adequate records to account for the numerical sequence of bond forms. The police department collects bond monies for the court and issues bond forms. Although bond forms are prenumbered and recorded in the appearance bond ledger, we noted situations where numbers in the bond forms sequence were omitted from the ledger and other situations where a sequential number was recorded in the ledger, however no other information about the bond was

documented. Bond forms could not be located in these instances and the police department was not able to determine what happened to these bond forms.

To adequately account for all bond receipts and to ensure all receipts are transmitted to the court, the police department or court should account for the numerical sequence of bond forms issued by ensuring information is recorded in the appearance bond ledger for all bond form numbers.

- C. Complaints issued for violations of city ordinances and criminal offenses are issued by the police department. These complaints are not prenumbered and a complaint log is not maintained to track the issuance and disposition of these complaints. Furthermore, complaints that are not signed by the City Attorney are discarded after thirty days. To ensure complaints are properly turned into the municipal division for processing, complaints should be prenumbered and accounted for in a complaint log.

Conditions similar to A.2-4. and B. were also noted in our prior report.

WE RECOMMEND the city of Sullivan Municipal Division:

- A.1. Indicate the method of payment on all receipt slips issued and reconcile the composition of receipt slips issued to the composition of monies transmitted or deposited.
 - 2. Restrictively endorse all checks and money orders immediately upon receipt.
 - 3. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.
 - 4. Transmit receipts intact on a daily basis to the City Collector or when accumulated receipts exceed \$100.
- B. Request the police department maintain complete records to account for the numerical sequence and disposition of all bond forms issued.
- C. Request the police department issue prenumbered complaints and maintain records to account for the numerical sequence and disposition of all complaints issued.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk provided the following responses:

- A.1. *We will try to implement this.*
 - 2. *This is being done.*

3&4. *The Court Clerk also serves as the city's assistant billing clerk and time does not always permit deposits/transmittals to be made timely.*

B. *We will request the police department to properly account for the bond forms.*

C. *We will request the police department issue prenumbered complaint forms and properly account for them.*

8. City of Union Municipal Division
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A. Court receipts were not transmitted to the City Collector for deposit into the city treasury on a timely basis. Also, deposits into the CVC and POSTC accounts maintained by the Court Clerk were not made on a timely basis. Our review of March, 1998 and August, 1997 records indicated the Court Clerk transmitted/deposited a total of approximately \$800 every three to four days. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, court receipts should be transmitted or deposited intact daily or when accumulated receipts exceed \$100.

B. The Court Clerk is responsible for all aspects of court record keeping, including receiving, recording, and transmitting court costs and fines as well as depositing, issuing checks and reconciling bank accounts for CVC and POSTC fees. The City Clerk reviews monthly bank reconciliations; however, there is no independent supervisory review of the reconciliation between recorded receipts and transmittals/deposits. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts transmitted/deposited.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the city of Union Municipal Division:

A. Transmit or deposit receipts intact daily or when accumulated receipts exceed \$100.

B. Establish a documented independent comparison of receipt slips issued to amounts transmitted/deposited.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

A. *We will try to make deposits as often as possible and will ensure the money is secured until it is deposited.*

B. This will be done.

This report is intended for the information of the management of the various municipal divisions of the Twentieth Judicial Circuit and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on State Auditor's Prior Recommendations

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the municipal divisions of the Twentieth Judicial Circuit on recommendations made in the Management Advisory Report (MAR) of our prior report issued for two years ended 1993 and 1994 and our report on the city of Owensville Municipal Division for the two years ended June 30, 1994. The prior recommendations that have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the municipal division should consider implementing these recommendations.

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS

1. City of Bland Municipal Division

- A.1. Some bond monies received were deposited in the city's police account instead of the bond account.
- 2. A listing of open items was not prepared and reconciled monthly to the bond balance. In addition, bond monies that applied to fines and costs were not remitted to the city treasury.
- B.1. The records maintained by the court did not classify the receipts into fines, court costs, LET, and CVC.
- 2. Some of the monthly amounts noted as being collected for CVC according to the collector's journal were not actually paid to the state.
- C. The municipal division did not indicate all case dispositions on the court docket.
- D. The municipal division did not forward some required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP).

Recommendation:

The city of Bland Municipal Division:

- A.1. Deposit all bond monies into the city's bond bank account.
- 2. Prepare a monthly listing of open items and reconcile these listings to monies held in trust by the court. In addition, bonds applied to fines and court costs should be remitted to the city treasury on a timely basis.

- B. 1. Maintain classified schedules of receipts to document amounts collected for fines, court costs, LET, and CVC.
- 2. Determine CVC fees due to the state and remit those amounts, and ensure that future CVC collections be remitted in accordance with state law.
- C. Document all case dispositions on the court docket and ensure that the Municipal Judge signs the docket.
- D. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A-D. Implemented.

2. City of Gerald Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B.1. Fines and court costs were not deposited on a timely basis.
- 2. Prenumbered receipt slips were not listed in numerical sequence on the receipts journal.
- C.1. Neither the receipt slips nor the bond forms issued by the police department for the receipt of bonds were prenumbered.
- 2. Several bonds received and disbursed were not recorded in the bond ledger.
- 3. A monthly listing of open items (liabilities) was not prepared.
- D. LET and CVC fees were charged on dismissed court cases and were not charged on all municipal ordinance violations.
- E. Complaints were not prenumbered and a complaint log was not maintained to track the issuance and disposition of these complaints.

Recommendation:

The city of Gerald Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B.1. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.
 - 2. Maintain a receipts journal that records all receipt slips in numerical sequence and account for the numerical sequence of receipt slips.
- C. 1. Request the police department to issue prenumbered receipt slips or bond forms for all bond monies received and account for their numerical sequence.
 - 2. Ensure all bonds are recorded in the bond ledger.
 - 3. Prepare a monthly listing of open items and reconcile these listings to monies held in trust by the court.
- D. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- E. Request the police department issue prenumbered complaints and maintain records to account for the numerical sequence and disposition of all complaints issued.

Status:

A&

B.1. Not implemented. See MAR No. 1.

B.2&

C-E. Implemented.

3. City of Hermann Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B.1. Fines and court costs were not transmitted to the city on a daily basis.
 - 2. Checks received for the payment of fines and court costs were not restrictively endorsed until the deposits were prepared.
- C. The court had \$323 of interest earned on an old bank account that had not been remitted to the city but remained in the current bank account.
- D. The summonses were not prenumbered and a summons log was not maintained to track the issuance and disposition of these summonses.

Recommendation:

The city of Hermann Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B. 1. Transmit receipts on a daily basis to the city or when accumulated receipts exceed \$100.
 - 2. Restrictively endorse all checks immediately upon receipt.
- C. Pay the \$323 in interest over to the city.
- D. Request the city attorney issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

Status:

A&D. Not implemented. See MAR No. 2.

B.1&2,
&C. Implemented.

4. City of New Haven Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B. A detailed, or cost control, ledger was not maintained to account for all court monies received.
- C.1. There was \$4,306 and \$5,191 in bond monies received for the years ended June 30, 1994 and 1993, respectively, for which receipt slips were not issued.
 - 2. Two bonds over a year old remained in the municipal division's bank account.
- D. The LET and CVC fee was assessed on dismissed cases for traffic violations while only LET was assessed on dismissed cases for all municipal ordinance violations.
- E. The court did not charge Independent Living Center (ILC) Fund fees on drug-related offenses and intoxication-related traffic offenses.
- F. The court did not file with the city a monthly report of all cases heard in court.

- G. The municipal division did not indicate all case dispositions on the court docket.
- H. The summonses were not prenumbered and a summons log was not maintained to track the issuance and disposition of these summonses.

Recommendation:

The city of New Haven Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B. Maintain a cash control ledger of all court monies received.
- C. 1. Issue prenumbered receipt slips for all monies received and account for their numerical sequence.
 - 2. Attempt to locate those defendants who are entitled to a cash bond refund and return the bond amount. For those bonds that the owner cannot be located, the unclaimed bonds should be disposed of in accordance with state law.
- D. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- E. Collect the ILC fee in accordance with state law.
- F. Prepare monthly reports of court actions and file these reports with the city in accordance with state law.
- G. Document all case dispositions on the court docket and ensure that the Municipal Judge signs the docket.
- H. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

Status:

- A-G. Implemented.
- H. Not implemented. See MAR No. 3.

5. City of Pacific Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B.1. Fines and court costs were not deposited on a timely basis.
 - 2. Checks received for the payment of fines and court costs were not restrictively endorsed until the deposits were prepared.
- C.1. All bonds and their disposition were not properly recorded in the bond ledger.
 - 2. The municipal division's bank account had fifty-two bonds over one year old, and twenty-nine of those bonds were over five years old.
- D. CVC, LET, and POSTC fees were charged on nonmoving traffic violations and dismissed cases.
- E. The municipal division allowed defendants to pay fines and court costs over a period of time. A control ledger accounting for the amount assessed, payments received, and the balance due from each defendant had not been established.
- F. The municipal division did not indicate all case dispositions on the court docket and the Municipal Judge did not sign the docket.

Recommendation:

The city of Pacific Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B. 1. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.
 - 2. Restrictively endorse all checks immediately upon receipt.
- C. 1. Ensure all bonds along with their disposition are recorded in the bond ledger.
 - 2. Attempt to locate those defendants who are entitled to a cash bond refund and return the bond amount. For those bonds that the owner cannot be located, the unclaimed bonds should be disposed of in accordance with state law.
- D. Assess LET, CVC, and POSTC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- E. Establish a control ledger and periodically reconcile it to the card files and warrant files.

- F. Document all case dispositions on the court docket and ensure the Municipal Judge signs the docket.

Status:

A,B.1,
&C.1. Not implemented. See MAR No. 5.

B.2, C2,D,
& F. Implemented.

- E. Not implemented. The municipal division has implemented collections procedures that have significantly reduced the amounts owed to less than \$550. Although not repeated in our current report, our recommendation remains as stated above.

6. City of St.Clair Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B.1. Receipt slips issued by the municipal division did not indicate the method of payments received.
 - 2. The Court Clerk did not issue a receipt slip to the City Collector for some monies collected by the City Collector's office and forwarded to the court.
- C.1. Neither the receipt slips nor the bond forms issued by the police department for the receipt of bonds were prenumbered.
 - 2. Receipt slips were not issued for bonds received from other courts.
 - 3. As of April 30, 1994, eighteen bonds over one year old remained in the municipal division's bank account. Two bonds were over six years old.
- D. CVC and LET fees were charged on dismissed court cases.
- E. The court did not charge Independent Living Center (ILC) Fund fees on drug-related offenses and intoxication-related traffic offenses.
- F. The municipal division allowed defendants to pay fines and court costs over a period of time. A control ledger accounting for the amount assessed, payments received, and the balance due from each defendant had not been established.
- G. Eleven restitution accounts had been inactive within the past year.

- H. The court did not file with the city a monthly report of all cases heard in court.
- I.1. Summonses issued by the police department were not prenumbered and the numerical sequence was not accounted for.
- 2. Complaints were not prenumbered and a complaint log was not maintained.
- 3. Neither the police department nor the court maintained adequate records to account for all parking tickets issued.

Recommendation:

The city of St. Clair Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B.1. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.
- 2. Issue receipt slips to the City Collector for monies transmitted.
- C.1. Request the police department to issue prenumbered receipt slips or bond forms for all bond monies received and account for their numerical sequence of the receipt slips or bond forms.
- 2. Issue prenumbered receipt slips for all monies received and account for their numerical sequence.
- 3. Attempt to locate those defendants who are entitled to a cash bond refund and return the bond amount. For those bonds that the owner cannot be located, the unclaimed bonds should be disposed of in accordance with state law.
- D. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- E. Collect the ILC fee in accordance with state law.
- F. Establish a control ledger and periodically reconcile it to the docket pages.
- G. Attempt to determine the proper disposition of these monies and issue checks to the appropriate parties. If the appropriate parties cannot be located, turn these monies over to the state's Unclaimed Property Section.

- H. Prepare monthly reports of court actions and file these reports with the city in accordance with state law.
- I.1. Request the police department issue prenumbered summonses (non-traffic) and maintain records to account for the numerical sequence and disposition of all summonses issued.
- 2. Issue prenumbered complaints and maintain records to account for the numerical sequence and disposition of all complaints issued.
- 3. Account for the numerical sequence and ultimate disposition of each parking ticket assigned and issued.

Status:

A,B.1,
C.2, &
D-F. Implemented.

B.2.
& H. Not implemented. Although not repeated in our current report, our recommendations remain as stated above.

C.1,C.3,G,
I.1&2. Not implemented. See MAR No. 6.

I.3. Not implemented. The police department issues an average of ten parking tickets each year. Although not repeated in our current report, our recommendation remains as stated above.

7. City of Sullivan Municipal Division

- A.1. Receipt slips issued for the receipt of bonds and restitutions were not prenumbered.
- 2. Checks received for the payment of fines and court costs were not restrictively endorsed immediately upon receipt.
- 3. Bonds and restitution monies were not deposited to their respective bank account on a timely basis.
- 4. Fines and court costs were not transmitted to the City Collector on a daily basis and were not transmitted intact.
- B. The police department did not maintain adequate records to account for the numerical sequence of bond forms.

- C. CVC and LET fees were charged on dismissed court cases.
- D. The court did not charge Independent Living Center (ILC) Fund fees on drug-related offenses and intoxication-related traffic offenses.
- E. The court did not file with the city a monthly report of all cases heard in court.
- F. Traffic and summons ticket books were not issued to the police officers in numerical sequence.

Recommendation:

The city of Sullivan Municipal Division:

- A.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
 - 2. Restrictively endorse all checks immediately upon receipt.
 - 3. Deposit receipts on a daily basis or when accumulated receipts exceed \$100.
 - 4. Transmit receipts intact on a daily basis to the City Collector or when accumulated receipts exceed \$100.
- B. Request the police department to account for the numerical sequence of all bond forms issued by ensuring information is recorded in the appearance bond ledger for all bond form numbers.
- C. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- D. Collect the ILC fee in accordance with state law.
- E. Prepare monthly reports of court actions and file these reports with the city in accordance with state law.
- F. Request the police department issue traffic and summons ticket books to police officers in numerical sequence and that ticket books be returned by terminated employees.

Status:

- A.1.&
- C-F. Implemented.

A.2-B. Not implemented. See MAR No. 7.

8. City of Union Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B. Fines and court costs were not transmitted to the City Collector on a daily basis and were not transmitted intact.
- C. CVC fee was charged on dismissed court cases and LET fee was not being assessed for all municipal ordinance violations.
- D. The Municipal Judge did not sign the docket after dispositions were recorded.
- E. The summonses were not prenumbered and a summons log was not maintained to track the issuance and disposition of these summonses.

Recommendation:

The city of Union Municipal Division:

- A. Properly segregate duties or establish a documented periodic review of municipal division records by an independent person.
- B. Transmit receipts intact on a daily basis to the City Collector or when accumulated receipts exceed \$100.
- C. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- D. Require the judge's signature on the court dockets.
- E. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

Status:

A&B. Not implemented. See MAR No. 8.

C, D,
& E. Implemented.

9. City of Washington Municipal Division

- A. At March 31, 1994, nine bonds over one year old remained in the municipal division's bank account. One bond was over fifteen years old.
- B. LET and CVC fees were charged on dismissed court cases.
- C. Complaint and information forms were not prenumbered and a log was not maintained to track the issuance and disposition of these forms.

Recommendation:

The city of Washington Municipal Division:

- A. Attempt to locate those defendants who are entitled to a cash bond refund and return the bond amount. For those bonds that the owner cannot be located, the unclaimed bonds should be disposed of in accordance with state law.
- B. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- C. Request the police department issue prenumbered summonses and maintain records to account for the numerical sequence and disposition of all summonses issued.

Status:

A-C. Implemented.

TWENTIETH JUDICIAL CIRCUIT
CITY OF OWENSVILLE, MISSOURI
MUNICIPAL DIVISION

1. Missing Funds

Some money collected by the court was not deposited. A total of \$4,994 was misappropriated.

Recommendation:

The municipal division, along with the city, review the situation and take the necessary actions to obtain restitution of the \$4,994.

Status:

Implemented. The former Court Clerk pled guilty to the charge of stealing and has paid full restitution to the city.

2. Receipt Procedures

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B. Receipt slips were not prenumbered and they were not reconciled to deposits.
- C. Fines and court costs were not deposited on a timely basis and the court cashed checks for several city employees.
- D. Monthly bank reconciliations were not performed.

Recommendation:

The municipal division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliations between receipts and deposits.
- B. Issue prenumbered receipt slips for all monies received. In addition, deposits should be reconciled to receipt slips issued to ensure all collections are deposited intact.
- C. Deposit all court receipts on a daily basis or when accumulated receipts exceed \$100. In addition, cashing of checks from court receipts should be prohibited.
- D. Perform monthly bank reconciliations and ensure these reconciliations are performed by someone independent of the receiving and recording functions.

Status:

- A. Not implemented. See MAR No. 4.
- B. Partially implemented. Prenumbered receipt slips are being issued, however, they are not being reconciled to deposits. See MAR No. 4.
- C. Partially implemented. Our audit procedures noted no instances of employee checks being cashed from court receipts. However, deposits are still not made on a timely basis. See MAR No. 4.
- D. Implemented.

3. Bond Procedures

- A. Neither the receipt slips nor the bond forms issued by the police department for the receipt of bonds were prenumbered.
- B. Receipt slips were not issued by the court clerk for all bond monies received.
- C. Bond monies received were not deposited intact.
- D. A monthly listing of open items (liabilities) was not prepared.
- E. Not all bond disbursements were made by check.
- F. The municipal division bond records included three bonds which were collected in prior years but had not been disbursed.

Recommendation:

The municipal division:

- A. Request the police department issue prenumbered receipt slips or bond forms for all bond monies received and account for their numerical sequence.
- B. Issue prenumbered receipt slips for all bond monies received and account for the numerical sequence of the receipt slips. In addition, receipt slips issued should be reconciled to bank deposits.
- C. Deposit all bond receipts intact on a daily basis or when accumulated receipts exceed \$100.
- D. Prepare monthly listings of open items (liabilities) and reconcile these listings to the bank balance.
- E. Make all bond disbursements by check.
- F. Attempt to locate those defendants who are entitled to a cash bond refund and return the bond amount. For those bonds that the owner cannot be located, the unclaimed bonds should be disposed of in accordance with state law.

Status:

A,B,
E&F. Implemented.

- C. Partially implemented. Bond receipts are deposited intact, but not all receipts are deposited timely or when they exceed \$100. See MAR No. 4.
- D. Not implemented. However, few bonds are held at any one time and the June 30, 1998, bond balance was easily identified. Although not repeated in our current report, our recommendation remains as stated above.

4. Court Procedures

- A. The municipal division allowed defendants to pay fines and court costs over a period of time. A control ledger accounting for the amount assessed, payments received, and the balance due from each defendant had not been established.
- B. Fines and court costs collected were not paid to the city treasury on a monthly basis.
- C. The municipal division did not indicate all case dispositions on the court docket. In addition, the municipal judge did not sign the court docket.
- D. Complaints were not prenumbered and a complaint log was not maintained to track the issuance and disposition of these complaints.

Recommendation:

The municipal division:

- A. Establish a control ledger and periodically reconcile it to the computerized receivable records.
- B. Transmit fines and court costs to the city treasury on a monthly basis as required by state law.
- C. Document all case dispositions on the court docket and ensure that the Municipal Judge signs the docket.
- D. Request the police department issue prenumbered complaints and maintain records to account for the numerical sequence and disposition of all complaints issued.

Status:

- A. Implemented.
- B&D. Not implemented. See MAR No. 4.
- C. Partially implemented. The case dispositions are on the court docket, but the Municipal Judge is not signing all the court dockets. Although not repeated in our

current report, our recommendation remains as stated above.

5. Court Costs

- A. LET and CVC fees were collected on dismissed court cases and were not collected on all city ordinance violations.
- B. The court did not remit the state portion of CVC fees to the state on a monthly basis.

Recommendation:

The municipal division:

- A. Assess LET and CVC fees on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, as required by state law.
- B. Disburse CVC to the state on a monthly basis and maintain documentation of how the amount disbursed was determined.

Status:

- A. Partially implemented. The Court Clerk is assessing the correct CVC and LET fees; however, these costs are still charged on dismissed cases. Although not repeated in our current report, our recommendation remains as stated above.
- B. Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

TWENTIETH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organization

The Twentieth Judicial Circuit is composed of Franklin, Gasconade, and Osage counties. The Honorable John Brackman serves as Presiding Judge. There are ten municipal divisions within the Twentieth Judicial Circuit.

The municipal divisions are governed by Chapter 479, RSMo 1994, and by Supreme Court Rule No. 37 titled "Ordinance Violations and Traffic Violations Bureau (TVB)." Section 479.050, RSMo 1994, provides that each municipal division may establish a TVB 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 each municipal division are paid by the respective municipality.

Municipal Division Organization, Personnel, and Caseload Information

1. City of Bland

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections. Fines and court costs are deposited directly into the city treasury daily. Bonds are deposited into the City Collector's account and disbursed by check at the end of the month to the City Treasurer's bond account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*	Robert Adams
City Clerk/Court Clerk	Rita Medlock

* Prior to January 1996, Ferdinand Havener served as Municipal Judge.

Caseload Information

<u>Year Ended June 30,</u>	
<u>1998</u>	<u>1997</u>

	Number of cases filed	170	235
2.	<u>City of Gerald</u>		

Organization

The Deputy City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, bonds and restitutions are deposited into court bank accounts. Fines and court costs are disbursed by check to the city treasury and state on a monthly basis. Restitution is disbursed to the victim upon receipt. Bond monies remain in a separate court bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Robert Adams
Deputy City Clerk/Court Clerk	Carmen Angell

Caseload Information

	<u>Year Ended December 31,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	82	158

3. City of Hermann

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are transmitted directly to the City Clerk. Bond monies are deposited into a court bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Donald Coulter
Court Clerk	Phyllis Kallmeyer

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	205	199

4. City of New Haven

Organization

The City Treasurer serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are transmitted directly to the City Collector. Bond monies are deposited into a court bank account pending disposition. Restitution monies are also deposited into the bond bank account pending collection of the full restitution amount at which time it is disbursed to the victim. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Gregory Sheehan
City Treasurer/Court Clerk*	Vicki Fastrow

* Prior to November 1995, Barb Helling served as the City Treasurer/Court Clerk.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	544	361

5. City of Owensville

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains two bank accounts: a bond account and a court costs, fines and restitution account. Fines and court costs are deposited into a court bank account and remitted to the city at the end of the fiscal year. A check is written every month and mailed to the state for CVC fees. Very few restitution payments are received and they are disbursed to the victim upon receipt. Bond monies are deposited into a bond account pending disposition of the case. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Donald Coulter
Court Clerk	Cindy Stranghoener

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	177	175

6. City of Pacific

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and restitutions are deposited into a court bank account. Fines and court costs are disbursed by check to the city treasury and state on a monthly basis.

Restitution is disbursed to the victim upon receipt. Bond monies are deposited into a separate court bank account pending disposition. Court is held twice a month with a third court held every three months. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge
Court Clerk

Barbara Smith
Marigene Reed

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	2,805	1,785

7. City of St. Clair

Organization

A part-time city employee serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, bonds and restitutions are deposited into court bank accounts. Fines and court costs are disbursed by check to the city treasury and state on a monthly basis. Restitution is disbursed to the victim upon receipt. Bond monies remain in a separate court bank account pending disposition. Court is held twice a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*
Court Clerk

Nick Gasaway
Dorothy Hawkins

* Prior to June 1996, Stanley D. Williams served as Municipal Judge.

Caseload Information

	<u>Year Ended April 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	1,083	1,113

8. City of Sullivan

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs (other than CVC and POSTC) are transmitted to the City Collector. Bond, CVC, and POSTC monies are deposited into a court bank account; bond monies are held pending disposition while the CVC and POSTC monies are disbursed to the state and city on a monthly basis. Restitution monies are deposited into a separate court bank account pending collection of the full restitution amount at which time it is disbursed to the victim; larger receipts are disbursed to the victim upon receipt. Court is held three times monthly. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Don A. Peterson
Court Clerk	Andrea Holland

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	1,028	859

9. City of Union

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs (excluding the state's portion of CVC and POSTC) are transmitted to the City Collector on a periodic basis. The state's portion of the CVC and POSTC are deposited into separate court accounts with payment made to the state monthly. Bond monies are deposited into a court bank account pending disposition. Court is held twice a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*
Court Clerk

Leneigha Downs
Carol Bean

* L. E. Crews served as Municipal Judge prior to November 1996. Donald Coulter served as interim judge until July 31, 1997.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	800	644

10. City of Washington

Organization

A city employee serves as the Court Clerk, assisted by two other full-time city employees and one part-time city employee, and is responsible for recording transactions as well as handling collections and disbursements. The division transmits fines and court costs to the City Collector who then deposits them into the city's bank account. Bond and restitution monies are deposited into separate court bank accounts pending disposition. Court is held three times a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

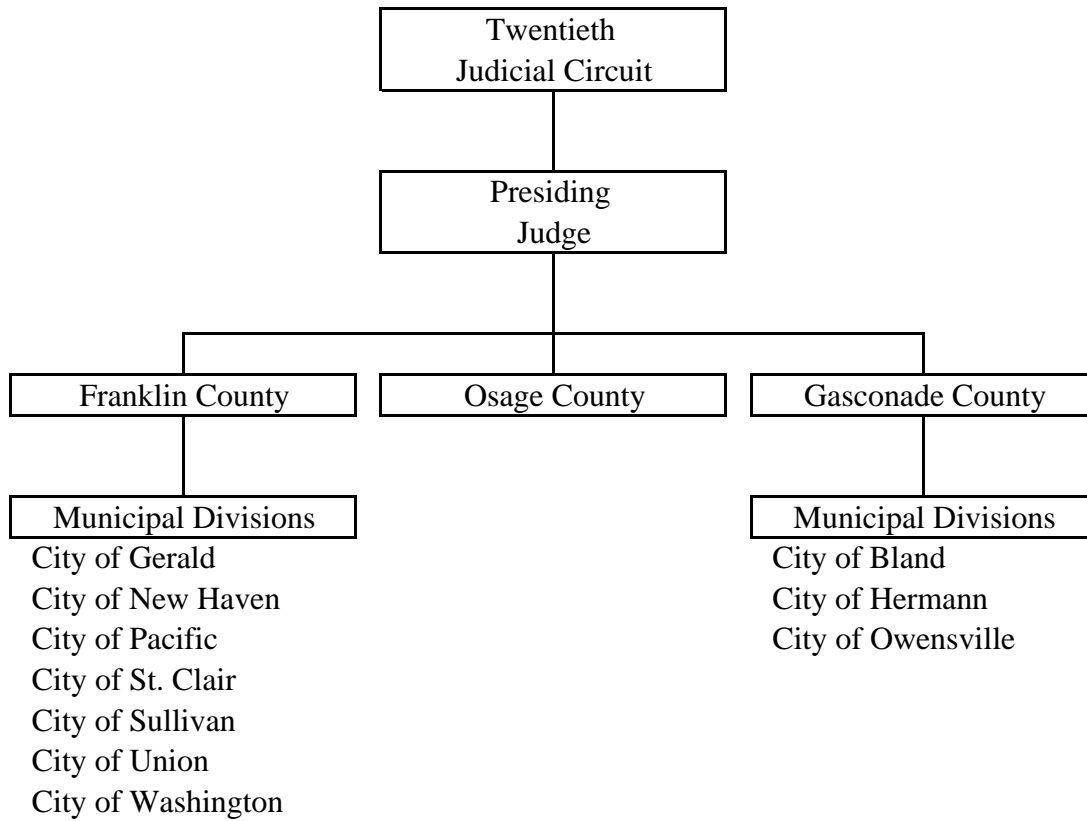
Municipal Judge
Court Clerk

Craig Hellmann
Cindy Buescher

Caseload Information

	<u>Year Ended September 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	1,986	2,073

TWENTIETH JUDICIAL CIRCUIT
ORGANIZATION CHART



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