



TWENTY-EIGHTH JUDICIAL CIRCUIT

MUNICIPAL DIVISIONS

YEARS ENDED 1997 AND 1998

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

Report No. 99-32  
May 4, 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 Twenty-Eighth 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:

<b>City of El Dorado Springs</b>	<i>page 20</i>
<b>City of Greenfield</b>	<i>pages 20-21</i>
<b>City of Lamar</b>	<i>pages 21-22</i>
<b>City of Stockton</b>	<i>pages 23-25</i>

We had no findings or recommendations for the municipal divisions of the **City of Liberal**, the **City of Lockwood**, and the **City of Nevada**.

**The City of Sheldon's** municipal division was reported on separately.

Actions taken by the various municipal divisions of the Twenty-Eighth Judicial Circuit on recommendations made in the prior report are noted on pages 26-32.

YELLOW SHEET

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS

TABLE OF CONTENTS

		<u>Page</u>
<hr/> <u>FINANCIAL SECTION</u> <hr/>		
State Auditor’s Reports: .....		2-6
Financial Statements .....		3-4
Compliance and Internal Control over Financial Reporting .....		5-6
Financial Statements: .....		7-14
<u>Exhibit</u>	<u>Description</u>	
A	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended December 31, 1998 and 1997	
	City of Liberal .....	8
	City of Nevada .....	9
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended September 30, 1998 and 1997	
	City of El Dorado Springs .....	10
	City of Stockton .....	11
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended June 30, 1998 and 1997	
	City of Greenfield .....	12
	City of Lamar .....	13
	City of Lockwood .....	14
Notes to the Financial Statement .....		15-17
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>		
Management Advisory Report - State Auditor’s Current Recommendations: .....		19-25
<u>Number</u>		
	Municipal Divisions:	
1.	City of El Dorado Springs .....	20
2.	City of Greenfield .....	20
3.	City of Lamar .....	21
4.	City of Stockton .....	23

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS

TABLE OF CONTENTS

	<u>Page</u>
<u>MANAGEMENT ADVISORY REPORT SECTION</u>	
Follow-Up on State Auditor's Prior Recommendations .....	26-32
<u>STATISTICAL SECTION</u>	
History, Organization, and Statistical Information .....	34-39

FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON  
THE FINANCIAL STATEMENT

Presiding Judge  
and  
Municipal Judges  
Twenty-Eighth Judicial Circuit

We have audited the accompanying special-purpose financial statements of the various municipal divisions of the Twenty-Eighth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; and June 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 and five, 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 Twenty-Eighth Judicial Circuit and are not intended to be a complete presentation of the financial position and results of operations of the municipal divisions.

Internal controls and accounting records of the city of Stockton Municipal Division were inadequate. Receipt slips were not issued for some bond monies received. In addition, records accounting for the numerical sequence and ultimate disposition of each complaint form issued by the police department were not maintained properly. 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.

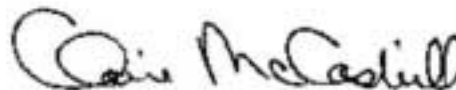
Internal controls and accounting records of the city of Greenfield Municipal Division were inadequate. Records accounting for the numerical sequence and ultimate disposition of each ticket issued by the police department were not maintained properly. As a result, we were unable to satisfy ourselves by 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.

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 Twenty-Eighth 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 three 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 Twenty-Eighth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; and June 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 January 19, 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.



Claire McCaskill  
State Auditor

January 19, 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  
Twenty-Eighth Judicial Circuit

We have audited the special-purpose financial statements of the various municipal divisions of the Twenty-Eighth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; and June 30, 1998 and 1997, and have issued our report thereon dated January 19, 1999. That report expressed a qualified opinion on the special-purpose financial statements of the various municipal divisions of the Twenty-Eighth 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 Twenty-Eighth 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.

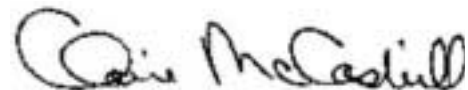
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the various municipal divisions of the Twenty-Eighth 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 Twenty-Eighth Judicial Circuit and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

January 19, 1999 (fieldwork completion date)

## Financial Statements

Exhibit A

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Liberal	
	Year Ended December 31,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, and other	\$ 279	332
Total Receipts	<u>279</u>	<u>332</u>
DISBURSEMENTS		
City treasury	279	332
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>279</u>	<u>332</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JANUARY 1	<u>0</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 0</u>	<u>0</u>

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

Exhibit A

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Nevada	
	Year Ended December 31,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 155,778	122,596
Total Receipts	<u>155,778</u>	<u>122,596</u>
DISBURSEMENTS		
City treasury	120,552	92,564
State of Missouri	11,128	8,785
Refunds and other	28,063	18,006
Total Disbursements	<u>159,743</u>	<u>119,355</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-3,965	3,241
CASH, JANUARY 1	<u>5,821</u>	<u>2,580</u>
CASH, DECEMBER 31	<u>\$ 1,856</u>	<u>5,821</u>

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

Exhibit B

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of El Dorado Springs Year Ended September 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 71,601	62,215
Total Receipts	<u>71,601</u>	<u>62,215</u>
DISBURSEMENTS		
City treasury	47,031	49,531
State of Missouri (Note 3)	0	0
Refunds and other	23,782	13,069
Total Disbursements	<u>70,813</u>	<u>62,600</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	788	-385
CASH, OCTOBER 1	<u>416</u>	<u>801</u>
CASH, SEPTEMBER 30	<u>\$ 1,204</u>	<u>416</u>

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

Exhibit B

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Stockton	
	Year Ended September 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 11,787	11,186
Total Receipts	<u>11,787</u>	<u>11,186</u>
DISBURSEMENTS		
City treasury	8,039	7,023
State of Missouri	540	489
Refunds and other	761	2,794
Total Disbursements	<u>9,340</u>	<u>10,306</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,447	880
CASH, OCTOBER 1	<u>3,404</u>	<u>2,524</u>
CASH, SEPTEMBER 31	<u>\$ 5,851</u>	<u>3,404</u>

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

Exhibit C

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Greenfield	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, and other	\$ 6,008	5,364
Total Receipts	<u>6,008</u>	<u>5,364</u>
DISBURSEMENTS		
City treasury	6,008	5,364
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>6,008</u>	<u>5,364</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	<u>\$ 0</u>	<u>0</u>

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



Exhibit C

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Lamar (Note 4)	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 50,767	50,417
Total Receipts	<u>50,767</u>	<u>50,417</u>
DISBURSEMENTS		
City treasury	46,190	45,733
State of Missouri	2,265	2,198
Refunds and other	1,240	1,983
Total Disbursements	<u>49,695</u>	<u>49,914</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,072	503
CASH, JULY 1	<u>3,665</u>	<u>3,162</u>
CASH, JUNE 30	<u>\$ 4,737</u>	<u>3,665</u>

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

Exhibit C

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH

	City of Lockwood	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, and other	\$ 2,483	2,193
Total Receipts	<u>2,483</u>	<u>2,193</u>
DISBURSEMENTS		
City treasury	2,483	2,193
State of Missouri (Note 3)	0	0
Refunds and other	<u>0</u>	<u>0</u>
Total Disbursements	<u>2,483</u>	<u>2,193</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	<u>\$ 0</u>	<u>0</u>

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

Notes to the Financial Statements

TWENTY-EIGHTH 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 Twenty-Eighth Judicial Circuit of the state of Missouri. Since no cases were handled during the audit period and no monies were received for the city of Everton Municipal Division, the division's financial statement is not included in this report. The city of Sheldon Municipal Division is reported on separately.

Receipts, disbursements, and changes in cash are presented for each municipal division. The operating costs of each division are paid by the respective municipality, the county, or the state of Missouri, as applicable, and are not included in the 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 fines 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 Twenty-Eighth 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 judgement for the Motorcycle Safety Trust Fund and the surcharges for the Crime Victims' Compensation and Services to Victims Funds, the Peace Officer Standards and Training Commission Fund, the Statewide Court Automation 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 Lamar, the city of Nevada, and the city of Stockton. Amounts remitted by the cities to the state are not included in the financial statements.

4. City of Lamar Municipal Division

Bonds posted by defendants for the city of Lamar Municipal Division are remitted to the city treasury monthly. The amounts held by the city at year end could not be determined and, therefore, are not included in the financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Current Recommendations

TWENTY-EIGHTH 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 Twenty-Eighth Judicial Circuit as of and for the years ended December 31, 1998 and 1997; September 30, 1998 and 1997; and June 30, 1998 and 1997, and have issued our report thereon dated January 19, 1999. That report expressed a qualified opinion on the special-purpose financial statements of the various municipal divisions of the Twenty-Eighth 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 procedures were 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.

<b>1. City of El Dorado Springs Municipal Division</b>
--

The municipal division does not issue receipt slips for bond monies received from the police department for bonds collected for other courts. To adequately account for all bond monies received, prenumbered receipt slips should be issued by the municipal division for all bond monies immediately upon receipt and the receipt slips should be reconciled to bank deposits.

**WE RECOMMEND** the city of El Dorado Springs Municipal Division issue receipts for all bond monies received.

**AUDITEE'S RESPONSE**

*The Municipal Judge and Court Clerk responded that they have already started issuing prenumbered receipt slips for all bond monies received.*

<b>2. City of Greenfield Municipal Division</b>
---

- A. Receipts are not deposited on a timely basis. We noted instances in which receipts were not deposited for 3 to 9 days. 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.
- B. Neither the police department nor the municipal division maintains records adequate to account for all tickets issued and their ultimate disposition. The police department maintains a log of tickets issued by officers; however, we noted that the log included gaps in the numerical sequence and had not been updated since May 1998. The municipal division maintains a log of tickets received from the police department; however, the log



is not maintained in numerical sequence. In addition, parking tickets were not prenumbered during the audit period.

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

- C. Crime Victim's Compensation (CVC) fees collected by the municipal division which are due to the state are deposited into the city treasury. The TVB clerk logs TVB cases and submits the log for payment to the city only when the log page is full. The city did not disburse these monies to the state monthly during 1997 and 1998. During the audit period, these fees were paid to the state on a two to three month cycle. Section 595.045.5, RSMo Cumulative Supp. 1998, requires 95 percent of the CVC fee to be paid monthly to the state.

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

**WE RECOMMEND** the city of Greenfield Municipal Division:

- A. Deposit receipts daily or when accumulated receipts exceed \$100.
- B. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets assigned and issued.
- C. Request the city remit CVC fees to the state monthly in accordance with state law.

**AUDITEE'S RESPONSE**

*The Court Clerk responded as follows:*

- A. *We will try to deposit more often.*
- B. *We are working with the police department to ensure the ticket records are kept up-to-date and to account for all tickets assigned and issued.*
- C. *This recommendation has been implemented.*

<b>3. City of Lamar Municipal Division</b>
--

- A. The Court Clerk does not maintain a bond account, a bond ledger or a restitution ledger and does not prepare monthly listings of open items (liabilities). In addition, the Court Clerk turns over to the city the reconciled bank balance of her account at the end of the month, including open bonds and restitution amounts. Disbursements for bond refunds and

restitution monies are made by the court from subsequent collections of fines and court costs. These procedures would not detect any errors made by the Court Clerk.

A better procedure would be for the Court Clerk to maintain a bond account to hold bond monies until each case is final and can be paid out. A bond ledger or a restitution ledger indicating the related case, date and amount of receipt, and date of disbursement is necessary to ensure proper accountability of bond or restitution collections. A monthly listing of open items is necessary to ensure accountability over open cases and to ensure monies held in trust by the municipal division are sufficient to meet liabilities.

- B. The municipal division allows defendants to pay fines and court costs over a period of time. Although, individual case files with amounts due the court are filed separately, the Court Clerk does not maintain a control listing of cases with balances due. As of October 1998, the municipal division’s accounts receivable totaled over \$59,000.

Monthly or periodic listings of accounts receivable are necessary to facilitate the monitoring of amounts due to the court, to provide information to the Municipal Judge, and to help maximize collections. These listings should be reconciled on a periodic basis to the individual accounts receivable records.

**WE RECOMMEND** the city of Lamar Municipal Division:

- A. Maintain a bond account for holding bond monies, a bond ledger, prepare monthly listings of open items, and reconcile the listing to the monies held in trust in the bond account.
- B. Generate a periodic listing of accounts receivable and reconcile this information to the individual accounts receivable records. A report of cases with delinquent payments and/or significant balances due should be provided to the Municipal Judge regularly for review.

**AUDITEE'S RESPONSE**

*The Court Clerk responded as follows:*

- A. *I have started keeping a ledger to better track the bonds received and will plan to use this to prepare monthly reconciliations and track payments. For now we will consider whether it is necessary to open a bond account.*
- B. *I have started maintaining a record of all accounts receivable that reconciles to the receivable records. This information will be provided to the judge monthly.*

<b>4. City of Stockton Municipal Division</b>
---

- A. We noted the following concerns related to fines, court costs, and bonds received by the municipal division:
  - 1. Receipt slips were not issued for some monies and receipt slips were not always issued immediately upon receipt. We noted some bond money received from the

Cedar County Sheriff's Department that was deposited but not receipted. In addition, we noted two instances where receipt slips were issued for bond money approximately two months after the bonds were received and deposited. To properly account for all receipts and ensure they are properly deposited, prenumbered receipt slips should be issued for all monies immediately and receipts should be reconciled to deposits.

2. The Court Clerk accepts cash, checks, and money orders for the payment of fines and court costs. The Court Clerk does not always record the correct method of payment on receipt slips.

To provide assurance all monies received have been properly deposited, a receipt slip noting the correct method of payment should be issued, and the composition of monies received should be reconciled to the composition of monies deposited.

3. Void receipt slips are not always properly retained. To ensure all receipts are properly accounted for, void receipt slips should be retained.

B. The duties of receiving, recording, and depositing monies collected by the municipal division are not adequately segregated. Currently, the Court Clerk performs all 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. Internal controls would be improved by segregating the duties of receiving and depositing court monies from that of recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent review of the bank reconciliations and a comparison of court receipt slips issued to amounts deposited.

C. Formal bank reconciliations are not prepared for the municipal division's bank account. Monthly bank reconciliations are necessary to ensure the bank account is in agreement with the accounting records and to detect errors on a timely basis.

D. Monthly listings of open items (liabilities) are not prepared and reconciled to the available cash balance. The Office of State Courts Administrator prepared an open items list for the municipal division as of June 30, 1998. This list identified all but approximately \$76 being held by the court. An open items listing has not been prepared by the Court Clerk since June 30, 1998.

Monthly open items listings should be prepared and reconciled to the available cash balance to ensure proper accountability over open cases and ensure monies held in trust are sufficient to meet liabilities. In addition, an attempt should be made to determine the proper disposition of these excess monies. For those monies which remain unclaimed, Section 447.595, RSMo 1994, requires funds remaining unclaimed for one year after disposition of the case to be turned over to the state's Unclaimed Property Section.

E. The municipal division allows defendants to pay fines and costs over a period of time. Defendants are required to attend court monthly until payment is received in full. The Court Clerk maintains the balance due information in the court docket books; however, periodic listings of amounts due are not prepared. In addition, a control ledger is not maintained showing the total amount due which can be reconciled to the individual

accounts receivable records. Periodic listings of amounts due would allow the court to monitor the amounts due the court and ensure deferred payments are processed correctly. As of November 1998, the municipal division's accounts receivable totaled \$3,238.

Monthly or periodic listings of accounts receivable are necessary to facilitate the monitoring of amounts due to the division, to provide information to the Municipal Judge, and to help maximize collections. These listings should be reconciled on a periodic basis to the individual accounts receivable records.

- F. Neither the police department nor the court maintained adequate records to account for all complaint forms issued and their ultimate disposition. Complaints are prenumbered, but a log is not maintained to account for the numerical sequence of the complaints issued or their ultimate disposition.

Without a proper accounting of the numerical sequence and disposition of complaint forms, the police department and the court cannot be assured that all complaint forms issued are properly submitted to the court for processing, properly voided, or not prosecuted.

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

**WE RECOMMEND** the city of Stockton Municipal Division:

- A.1. Issue receipt slips for all monies immediately upon receipt, and reconcile receipts to bank deposits.
2. Indicate the correct method of payment on all receipt slips, and reconcile total cash, checks, and money orders received to bank deposits.
3. Retain original copies of all voided receipt slips.
- B. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.
- C. Prepare monthly bank reconciliations.
- D. Prepare monthly listings of open items and reconcile the listings to monies held in trust. The municipal division should also attempt to identify to whom the \$76 belongs, and disburse the funds appropriately. If this cannot be determined, the unidentified bond monies should be turned over to the state's Unclaimed Property Section in accordance with state law.
- E. Prepare an accounts receivable listing on a monthly basis and use this listing to ensure appropriate action is taken on all cases with balances due to the municipal division. This listing should be reconciled periodically to individual accounts receivable records.
- F. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all complaint forms.

**AUDITEE'S RESPONSE**

*The Court Clerk responded as follows:*

- A. These recommendations have been implemented.*
- B. The judge now reviews the records and signs to document his review.*
- C. This recommendation has been implemented.*
- D. This recommendation has been implemented, and the unidentified monies have been identified.*
- E. A listing is now prepared and will be used to reconcile to the individual accounts receivable records.*
- F. The police department has established a complaint log to track the complaints and their disposition.*

This report is intended for the information of the management of the various municipal divisions of the Twenty-Eighth 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

TWENTY-EIGHTH 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 Twenty-Eighth Judicial circuit on recommendations made in the Management Advisory Report (MAR) of our report issued for the two years ended 1994 and 1995. The prior recommendations which 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 divisions should consider implementing these recommendations.

1. City of El Dorado Springs Municipal Division

A. Receipts were not always deposited on a timely basis. In addition, monies collected by the police department were not turned over to the Court Clerk for deposit in a timely manner.

B. The \$5 CVC fee and the \$2 LET fee were charged on cases dismissed by the court.  
Recommendation:

The city of El Dorado Springs Municipal Division:

A. Deposit all receipts intact daily or when accumulated receipts exceed \$100.

B. Discontinue charging the \$5 CVC and \$2 LET fees on dismissed cases.

Status:

A&B. Implemented.

2. City of Everton Municipal Division

A. Receipt slips did not always indicate the method of payments received.

B. Neither the municipal division nor the police department maintained adequate records to account for all traffic tickets.

C.1. The \$5 court costs which the city established, and is allowed to retain, was not collected by the TVB clerk.

2. The schedule of fines and costs was not prominently posted at the TVB.

D. Some municipal division records could not be located.

E. The TVB Clerk did not always forward records of convictions to the MSHP. In addition, one ticket was improperly forwarded to the MSHP without proper court disposition.

Recommendation:

The city of Everton Municipal Division:

- A. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to the composition of bank deposits.
- B. Work with the police department to ensure adequate documentation is maintained when ticket books are destroyed and records are maintained to account for the numerical sequence and ultimate disposition of all traffic tickets assigned and issued.
- C.1. Collect court costs of \$5 on each ticket handled through the TVB in compliance with the court order and Section 479.260, RSMo 1994.
  - 2. Prominently post the schedule of fine and costs at the TVB.
- D. Retain all court records in accordance with Supreme Court Administrative Rule 8.
- E. Forward all records of convictions on traffic offenses to the MSHP as required by state law.

Status:

No cases were handled during the audit period and no monies were received for the City of Everton Municipal Division; therefore, this division is not included in this report.

3. City of Greenfield Municipal Division

- A.1. Receipts were not deposited intact, and personal checks were frequently cashed for city employees from official city and municipal division receipts.
  - 2. Receipts were not deposited on a timely basis.
  - 3. Partial payments were held in cash and not deposited until the full payment was received. In addition, a receipt slip was not issued for a partial payment until the balance was paid in full twenty days later.
  - 4. Checks and money orders were not always restrictively endorsed immediately upon receipt.
- B. The TVB Clerk did not file with the city a monthly report of all cases prepaid at the TVB.
- C. The police department did not maintain adequate records to account for all traffic tickets.



Recommendation:

The city of Greenfield Municipal Division:

- A.1. Discontinue cashing personal checks with official receipts and deposit all monies intact.
  2. Deposit receipts daily or when accumulated receipts exceed \$100.
  3. Issue receipt slips for all partial payments immediately upon receipt and deposit these collections in a timely manner.
  4. Restrictively endorse checks and money orders immediately upon receipt.
- B. Prepare and file with the city monthly reports of all cases handled through the TVB in accordance with state law.
- C. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all traffic tickets.

Status:

A.1,  
A.4,  
& B. Implemented.

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

A.3. The TVB no longer accepts partial payments.

4. City of Lamar Municipal Division

- A.1. Receipts on the cash control were not totaled on a monthly basis.
  2. The method of payment was not always correctly indicated on receipt slips.
  3. The original copy of voided receipts were not always retained.
- B.1. The \$5 CVC fee and the \$2 LET fee were charged on cases dismissed by the court.
  2. The court did not charge ILC Fund fees on all drug-related offenses and intoxication-related traffic offenses.

Recommendation:

The city of Lamar Municipal Division:

- A.1. Maintain a complete cash control including all receipts, disbursements, and a periodic cash balance.

2. Indicate the correct method of payment on all receipt slips issued.
3. Retain all copies of voided receipt slips.
- B.1. Discontinue charging the \$5 CVC and \$2 LET fees on dismissed cases.
  2. Assess and collect the ILC fee in accordance with state law.

Status:

- A. Implemented.
  - B.1. Not implemented. However, the Municipal Judge maintains the position that the Prosecutor is free to require the defendant to make payment of costs as a condition of dismissal. The judge monitors all case activities and reviews the arrangements on dismissed cases. Although not repeated in the current MAR, our recommendation remains as stated above.
    2. Based on statutory changes effective July 1, 1997, the ILC fee is no longer required to be collected by municipal divisions.
5. City of Liberal Municipal Division
- A.1. Receipt slips were not issued for all monies received.
    2. Receipt slips issued by the court did not always indicate the method of payment received.
  - B. The court did not charge CVC fees on non-traffic ordinance violations.
  - C. The TVB Clerk did not file with the city a monthly report of cases prepaid at the TVB.
  - D. The TVB Clerk did not forward required records of convictions on traffic offenses to the MSHP.

Recommendation:

The city of Liberal Municipal Division:

- A.1. Issue prenumbered receipt slips for all monies received.
  2. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.
- B. Assess and collect the CVC fee in accordance with state law.

- C. Prepare and file with the city monthly reports of cases handled through the TVB in accordance with state law.
- D. Forward records of convictions on traffic offenses to the MSHP within ten days as required by state law.

Status:

A.1. Partially implemented. Receipts were written for monies paid through the TVB; however, the Court Clerk did not write receipt slips for monies received from the Associate Circuit Court. Although not repeated in the current MAR, our recommendation remains as stated above.

A.2 -

D. Implemented.

6. City of Lockwood Municipal Division

- A. Receipt slips issued by the TVB did not indicate the method of payment received.
- B. Voided traffic tickets were not retained and were not listed on the traffic ticket log.
- C. The TVB did not always forward required records of convictions on traffic offenses to the MSHP.
- D. The TVB Clerk did not file with the city a monthly report of all cases prepaid at the TVB.

Recommendation:

The city of Lockwood Municipal Division:

- A. Indicate the method of payment on receipt slips and reconcile total cash, checks, and money orders received to bank deposits.
- B. Work with the police department to ensure voided tickets are retained and to account for the numerical sequence and ultimate disposition of each traffic ticket.
- C. Forward records of convictions on traffic offenses to the MSHP within ten days as required by state law.
- D. Prepare and file with the city monthly reports of cases handled through the TVB in accordance with state law.

Status:

A-D. Implemented.

7. City of Nevada Municipal Division

Parking fines collected by the police department were not turned over to the city in a timely manner.

Recommendation:

The city of Nevada Municipal Division deposit all parking ticket receipts daily or when accumulated receipts exceed \$100.

Status:

Implemented.

8. City of Stockton Municipal Division

A.1. Receipts were not always deposited intact on a timely basis.

2. Receipt slips issued by the court did not always indicate the method of payment received.

B. The duties of receiving, recording, and depositing monies collected by the municipal division were not adequately segregated.

Recommendation:

The city of Stockton Municipal Division:

A.1. Discontinue cashing checks from municipal division collections and deposit receipts intact daily or when accumulated receipts exceed \$100.

2. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.

B. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.

Status:

A.1. Implemented.

A.2

&B. Not implemented. See MAR No. 4.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

TWENTY-EIGHTH JUDICIAL CIRCUIT  
MUNICIPAL DIVISIONS  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organization

The Twenty-Eighth Judicial Circuit is composed of Barton, Cedar, Dade, and Vernon counties. The Honorable C. David Darnold serves as Presiding Judge. There are nine municipal divisions within the Twenty-Eighth 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 respectively municipality, the county, or the state of Missouri, as applicable.

Municipal Division Organization, Personnel, and Caseload Information

1. City of El Dorado Springs

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains a bank account for the deposit of fines, court costs, and bonds. Fines and court costs are transmitted by check to the city treasury after each court date. 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	Greg Beydler
Court Clerk	Jan Taylor

Caseload Information

	<u>Year Ended September 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	775	724

2. City of Everton

Organization

Court cases are heard by the Dade County Associate Circuit Judge at the county courthouse. A TVB has been established at the city to receive payment of fines and court costs at times other than during court. The City Clerk serves as the TVB Clerk and is responsible for recording transactions as well as handling collections and disbursements. No fines or court costs were collected during the years ended June 30, 1998 and 1997.

Personnel

Associate Circuit Judge	David R. Munton
City Clerk/TVB Clerk	Loretta Hudson*

\* Angela Schletzbaum served as TVB Clerk prior to August 1998.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	0	0

3. City of Greenfield

Organization

Cases are heard by the Dade County Associate Circuit Judge at the county courthouse. A TVB has been established to receive payment of fines and court costs at times other than during court. The TVB Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury.

Personnel

Associate Circuit Judge	David R. Munton
TVB Clerk	Sheila Perkins

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	200	147

4. City of Lamar

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains a bank account for the deposit of fines, court costs, and bonds. Fines, court costs, and bonds are transmitted by check monthly to the city treasury. 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 James Nichols  
Court Clerk Denzil Divine

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	421	407

5. City of Liberal

Organization

Court cases are heard by the Barton County Associate Circuit Judge at the county courthouse. A TVB has been established at the city to receive payments of fines and court costs at times other than during court. The City Clerk serves as the TVB Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury.

Personnel

Associate Circuit Judge Charles Curless  
City Clerk/TVB Clerk Doris Ann Fast

Caseload Information

	<u>Year Ended December 31,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	0	8

6. City of Lockwood

Organization

Court cases are heard by the Dade County Associate Circuit Judge at the county courthouse. A TVB has been established at the city to receive payments of fines and court costs at times other than during court. The City Treasurer serves as the TVB Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury.

Personnel

Associate Circuit Judge David R. Munton  
City Treasurer/TVB Clerk Kathie Needham

Caseload Information

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

7.	Number of cases filed	95	59
	<u>City of Nevada</u>		

Organization

The Court Clerk, assisted by two deputy court clerks, is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains a bank account for the deposit of fines, court costs, and bonds. Fines and court costs are transmitted by check weekly to the city treasury. Parking fines are transmitted directly to the City Treasurer. Court is held once a week. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	James Bickel
Court Clerk	Tonya Hogan

Caseload Information

	<u>Year Ended December 31,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	2,508	1,963

8. City of Stockton

Organization

The Court Clerk, assisted by the City Clerk, is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains a bank account for the deposit of fines, court costs, and bonds. Fines and court costs are transmitted by check monthly to the city treasury. 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

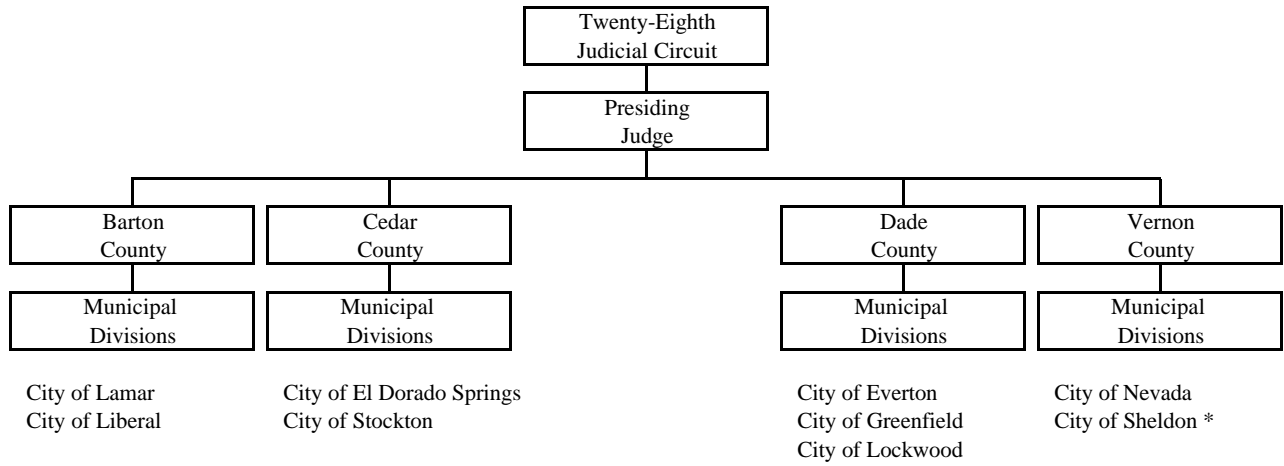
Municipal Judge	Ron Broksieck
Court Clerk	Julie Stanton*

\* Chandra Daulton served as Court Clerk prior to June 1998.

Caseload Information

	<u>Year Ended September 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	184	189

TWENTY-EIGHTH JUDICIAL CIRCUIT  
 ORGANIZATION CHART



\* Reported on separately.

\*\*\*\*\*