



Susan Montee, CPA
Missouri State Auditor

October 2007

Eleventh Judicial Circuit

**City of St. Peters, Missouri
Municipal Division**



Office of
Missouri State Auditor
Susan Montee, CPA

October 2007

An audit was conducted by our office of the Eleventh Judicial Circuit, city of St. Peters, Missouri Municipal Division.

The city of St. Peters Municipal Division is within the Eleventh Judicial Circuit, which consists of St. Charles county. The Honorable Ted House serves as Presiding Judge.

The Municipal Court and Police Department collect approximately \$452,000 annually in bond monies. Neither the Police Department nor Court Administrator marks the receipt slip or ledger as cash or check. As a result, the composition of receipt slips issued is not reconciled to the composition of deposits. In addition, the City Finance Department reconciles the bond bank account but is unable to perform a reconciliation of the composition of monies received to the deposit documentation.

The Municipal Court implemented or partially implemented our previous recommendations.

A petition audit of the City of St. Peters fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in a subsequent report.

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YELLOW SHEET

ELEVENTH JUDICIAL CIRCUIT
CITY OF ST. PETERS, MISSOURI
MUNICIPAL DIVISION

TABLE OF CONTENTS

	<u>Page</u>
STATE AUDITOR'S REPORT	1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDING	4-6
FOLLOW-UP ON PRIOR AUDIT FINDINGS	7-8
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION.....	9-10

STATE AUDITOR'S REPORT



SUSAN MONTEE, CPA
Missouri State Auditor

Presiding Judge
Eleventh Judicial Circuit
and
Municipal Judge
St. Peters, Missouri

We have audited certain operations of the city of St. Peters Municipal Division of the Eleventh Judicial Circuit. The scope of this audit included, but was not necessarily limited to, the year ended September 30, 2006. The objectives of this audit were to:

1. Review internal controls over significant financial functions.
2. Review compliance with certain legal provisions.
3. Review certain receipts.

Our methodology to accomplish these objectives included reviewing written policies, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. The work for this audit was substantially completed by August 2007.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in the audit of the division.

The accompanying Management Advisory Report presents our finding arising from our audit of the city of St. Peters Municipal Division of the Eleventh Judicial Circuit.

A petition audit of the City of St. Peters fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Alice Fast, CPA
In-Charge Auditor:	Carl Zilch, Jr.
Audit Staff:	Alicia Hall

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

ELEVENTH JUDICIAL CIRCUIT
CITY OF ST. PETERS, MISSOURI
MUNICIPAL DIVISION
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

Bond Receipts

The method of payment for bonds is not noted on the receipt slips. The Municipal Court and Police Department collect approximately \$452,000 annually in bond monies.

The Police Department only accepts cash and uses a one-write ledger to record the receipt of bond monies. When bond checks are received from other cities, the Court Administrator receipts these checks into the Police Department one-write ledger. Neither the Police Department nor the Court Administrator marks the one-write receipt slip or ledger as cash or check. As a result, the composition of one-write receipt slips issued is not reconciled to the composition of deposits. In addition, the City Finance Department reconciles the bond bank account but is unable to perform a reconciliation of the composition of monies received to the deposit documentation. The Municipal Court personnel and Finance Department simply total the activity on the one-write ledger and agree the total to amounts deposited. The receipt slips should indicate the method of payment (i.e., cash, checks, or money orders) and the composition should be reconciled to amounts transmitted to the Municipal Court for deposit.

WE RECOMMEND the Municipal Court and Police Department ensure the method of payment is recorded on the receipt slips and the composition of receipt slips is reconciled by the Municipal Court and City Finance Department to deposits.

AUDITEE'S RESPONSE

The Municipal Judge and Assistant City Administrator provided the following response:

The Police Department only accepts cash and uses a one-write ledger to record the receipt of bond monies. When bond checks are received from other cities, the Court Administrator receipts these checks into the Police Department one-write ledger.

Information as to the date of receipt, amount and method of payment (cash, money order or check), and the date of deposit is entered into the court computerized system daily by the Court Administrator. This has been an on-going process since inception of the computerized court system. The corresponding receipt numbers are listed on the deposit slip for each deposit being made for the bond account.

As recommended, the Court Administrator is now recording the method of payment on the receipt slips, allowing for the composition of receipt slips to be reconciled by the Municipal Court and the City Finance Department to deposits.

We appreciate the opportunity to respond to the audit of certain operations of the Municipal Court of the City of St. Peters for the fiscal year ended September 30, 2006. As you will note, immediate supplementary action has already been taken to address the recommendation listed, and the City of St. Peters and its Municipal Court will continue to provide responsible management of court records and funds for fines and forfeiture revenues to ensure compliance with legal provisions embodied in state and city laws.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

ELEVENTH JUDICIAL CIRCUIT
CITY OF ST. PETERS, MISSOURI
MUNICIPAL DIVISION
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Governmental Auditing Standards*, this section reports the auditor's follow-up on action taken by the city of St. Peters Municipal Division on the applicable findings in the Management Advisory Report (MAR) of our prior report issued for the two years ended September 30, 2003. Although the partially implemented recommendation is not repeated, the municipal division should consider implementing it.

City of St. Peters Municipal Division

- A. The municipal division assessed a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo, stated a fine of \$25 was to be assessed for all violations of this law, the division was assessing a fine of \$48 on tickets issued for this violation.
- B. Although the municipal division had a computer system where all tickets issued were entered, the Court Administrator did not generate a listing of all tickets issued in numerical sequence and account for the tickets.
- C. Computer passwords were not kept confidential.

Recommendation

- A. Assess fines in accordance with state law.
- B. Ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all tickets issued.
- C. Ensure passwords are periodically changed and remain confidential.

Status:

A&C. Implemented.

- B. Partially implemented. The Court Supervisor indicated she is now generating a listing of the tickets and accounting for the numerical sequence. However, this procedure is only being done every six months and no documentation is being kept of the review. Although not repeated in the current MAR, our recommendation remains as stated above.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

ELEVENTH JUDICIAL CIRCUIT
CITY OF ST. PETERS, MISSOURI
MUNICIPAL DIVISION
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The city of St. Peters Municipal Division is one of eleven municipal divisions within the Eleventh Judicial Circuit, which consists of St. Charles County. The Honorable Ted House serves as Presiding Judge.

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

Operating Costs

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

Personnel

Municipal Judge	Donald Kohl
Court Administrator	Greg White

Financial and Caseload Information

	<u>Year Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>
Receipts	\$2,461,482	1,886,721
Number of cases filed	20,624	16,265