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Missouri State Auditor

Thirty-First Judicial Circuit

City of Willard Municipal Division

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Thirty-First Judicial Circuit, City of Willard Municipal Division

Municipal Division Procedures

Municipal division procedures related to case dispositions and warrants need improvement. The Municipal Judge does not always sign the court dockets after case dispositions are recorded. The municipal division could not provide documentation showing warrants were always specifically authorized by the Municipal Judge as required. The warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The practice of using a signature stamp does not allow for proper review and authorization of the warrant and other documents.

Liabilities

The monthly list of liabilities is not complete and is not reconciled to the municipal division's cash balance. Also, the municipal division allows defendants to pay fines and costs using a credit card and expenses for use of a credit card machine are paid from the municipal division bank account instead of by the city and are not recorded in the municipal division accounting system.

Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, it was not complete. Voided tickets are not included in the police department's tracking system, tickets were not issued by officers in numerical sequence, and the disposition of each ticket is not recorded.

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Thirty-First Judicial Circuit

City of Willard Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Thirty-First Judicial Circuit
and
Municipal Judge
Willard, Missouri

We have audited certain operations of the City of Willard Municipal Division of the Thirty-First Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

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

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those 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. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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

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

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Willard Municipal Division of the Thirty-First Judicial Circuit.

A petition audit of the City of Willard, 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.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Natalie McNish
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Thirty-First Judicial Circuit

City of Willard Municipal Division

Management Advisory Report - State Auditor's Findings

1. Municipal Division Procedures

Municipal division procedures related to case dispositions and warrants need improvement.

1.1 Case disposition

The Municipal Judge does not always sign the court dockets after case dispositions are recorded. To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the docket to indicate his approval of the recorded disposition.

1.2 Warrants

The municipal division could not provide documentation showing warrants were always specifically authorized by the Municipal Judge as required. The municipal division issues warrants to defendants who miss court appearances or do not pay their fine. The warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The practice of using a signature stamp does not allow for proper review and authorization of the warrant and other documents.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the Municipal Judge should sign warrants or provide specific written authorization for the Court Clerk to sign warrants.

Recommendations

The City of Willard Municipal Division:

- 1.1 Ensure all court dockets are signed by the Municipal Judge.
- 1.2 Ensure warrants are signed by the Municipal Judge or the Court Clerk, only when directed by the Municipal Judge for a specific warrant.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 1.1 *The Municipal Judge and Court Clerk will closely monitor dockets to ensure they are signed.*
- 1.2 *The Court Clerk issues warrants after ordered by the Municipal Judge with the docket entry. The actual warrant has a signature line on which the Court Clerk uses the Municipal Judge's name stamp, with his permission to do so. The Municipal Judge has now signed a written approval for the Court Clerk to use the name stamp for all warrants.*



2. Liabilities

The monthly list of liabilities is not complete and is not reconciled to the municipal division's cash balance. The municipal division's bank account had a reconciled balance of \$1,640 and the list of liabilities totaled \$2,063 at December 31, 2009, resulting in a difference of \$423. The difference is interest earned on the account (\$8), credit card processing expenses paid from the account (\$277), and a non-sufficient funds check returned (\$154). Interest earned is not recorded in the computerized accounting system and included on the list of liabilities. Also, the municipal division allows defendants to pay fines and costs using a credit card and expenses for use of a credit card machine are paid from the municipal division bank account instead of by the city and are not recorded in the municipal division accounting system.

Liabilities should be reconciled to cash balances to ensure accounting records are in balance and sufficient funds are available for the payment of all liabilities. Such reconciliations would allow for prompt detection of errors. Unidentified differences should be investigated immediately and appropriate action taken.

Recommendations

The City of Willard Municipal Division work with the city to reconcile liabilities to the municipal division's cash balance, seek reimbursement from the city for the credit card expenses, and discontinue paying these expenses from the municipal division bank account. Any differences should be investigated.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The municipal division's bank account and Court Clerk's records now reconcile. There was a difference of \$8 in interest that had not been recorded into the computerized system. This will be corrected when this interest is actually receipted in the computerized system. The credit card processing expenses which were paid from the municipal division's bank account will be corrected by a check from the city to the municipal division for the total amount of credit card charges. Also, the city's Chief Financial Officer has directed the bank to stop credit card charges on the municipal division's bank account.

3. Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, it was not complete. Some ticket books assigned to officers were not included in the log. The Police Department administrative assistant enters the tickets issued into a computerized tracking system; however, the numerical sequence and disposition of tickets is not accounted for properly. For example, voided tickets are not included



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Management Advisory Report - State Auditor's Findings

in the tracking system, tickets were not issued by officers in numerical sequence, and the disposition of each ticket is not recorded.

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

Recommendations

The City of Willard Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued is accounted for properly.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The Court Clerk enters the disposition of every ticket that goes through the municipal division into the computerized system. The Police Department uses another software system to track their ticket information. They also keep a list of ticket books assigned to officers. The Court Clerk has discussed with the Police Department what can be done to utilize these two systems to more closely monitor that each ticket number is accounted for and accountability is easily verified.

The Police Department secretary can produce a list of tickets by numerical order. This list now will include every ticket, including voided tickets. This list will be forwarded to court on a monthly basis. The municipal division's computerized system produces a list in ticket number order showing the disposition of every ticket that is turned over to the municipal division by the Police Department. This list will be provided to the Police Department on a monthly basis. With these lists, the Police Department and municipal division can monitor every ticket in each ticket book.

Thirty-First Judicial Circuit

City of Willard Municipal Division

Organization and Statistical Information

The City of Willard Municipal Division is in the Thirty-First Judicial Circuit, which consists of Greene County. The Honorable Thomas E. Mountjoy serves as Presiding Judge.

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

Personnel

At December 31, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Andrew Brown
Court Clerk	Linda Murray
Deputy Court Clerk	Kate Gould (1)

(1) Kate Gould also serves as the City's Community Relations Officer and the Deputy City Clerk.

Financial and Caseload Information

	Year Ended December 31, 2009
Receipts	\$80,418
Number of cases filed	725