



**Thomas A. Schweich**  
Missouri State Auditor

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# Twenty-Third Judicial Circuit

## City of Pevely Municipal Division

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March 2014  
Report No. 2014-013



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Twenty-Third Judicial Circuit, City of Pevely Municipal Division

### Bond Account Liabilities

The court administrators have not adequately reviewed the status of open bonds. The list of open bonds includes 22 bonds that are over 10 years old, with 7 bonds dating back to 2000. We reviewed case files for 15 bonds on the open bond list and determined 2 bonds (totaling \$2,000) should have been transmitted to the city and 7 other bonds (totaling \$2,500) should have been refunded to the person posting the bond. If disbursement is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

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

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Twenty-Third Judicial Circuit

## City of Pevely Municipal Division

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Presiding Judge  
Twenty-Third Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
Pevely, Missouri

We have audited certain operations of the City of Pevely Municipal Division of the Twenty-Third Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2012. The objectives of our audit were to:

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

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

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

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.

For the areas audited, we identified (1) a deficiency in internal controls and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our finding arising from our audit of the City of Pevely Municipal Division of the Twenty-Third Judicial Circuit.

A petition audit of the City of Pevely, 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.



Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

|                       |                                  |
|-----------------------|----------------------------------|
| Deputy State Auditor: | Harry J. Otto, CPA               |
| Director of Audits:   | Regina Pruitt, CPA               |
| Audit Manager:        | Chris Vetter, CPA                |
| In-Charge Auditor:    | David Olson                      |
| Audit Staff:          | Morgan Alexander<br>Andrew Roley |

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# Twenty-Third Judicial Circuit

## City of Pevely Municipal Division

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

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#### **1. Bond Account Liabilities**

The court administrators have not adequately reviewed the status of old open bonds held in the court's bond account. The list of open bonds consists of 175 bonds totaling approximately \$48,000 as of July 31, 2013. Twenty-two of the bonds are over 10 years old, with 7 of those dating back to 2000. We reviewed case files for 15 bonds on the list and determined 2 bonds totaling \$2,000 should have been transmitted to the city and 7 other bonds totaling approximately \$2,500 should have been refunded to the person posting the bond because the cases had been disposed. The court administrators indicated they had attempted to contact some of these individuals, but were unsuccessful due to not having their current addresses.

The failure to routinely review open bonds and disburse monies when appropriate increases the volume of cases which must be monitored and deprives the state, city, or others the use of those monies. If disbursement is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

#### **Recommendation**

The City of Pevely Municipal Division routinely review the list of open bonds and disburse or dispose of monies as appropriate.

#### **Auditee's Response**

*The Chief Administrative Judge provided the following written response:*

*On March 8, 2013, I assumed the administrative duties of the Pevely Municipal Court. At that time, during the court's own internal reviews of operations, I discovered the issue of open bonds still deposited in the Judicial Bond Account. I immediately issued an order instructing the court personnel to begin a process of reviewing each individual bond file to determine the correct processing of the bond payment. The process has been completed. Payment of all outstanding bond deposits have been forwarded to the City of Pevely on Bond Forfeitures, to 14 individuals who never reclaimed their bonds after the disposition of their cases, and to the State of Missouri Treasurer's office for 13 individuals who could not be located and never reclaimed their bond.*

*Additionally, an administrative procedure was established whereby court action regarding bond disposition is recorded on the individual defendant's file, recorded in the court's electronic records of the defendant's file and bond payment is processed within 48 hours. Further, monthly review of the outstanding bond account is conducted to verify the accuracy of the bond account.*

*It is a pleasure to state that the current court personnel have completed the above task of reviewing the bond account and that the present day bond account is accurate to the individual file. The Municipal Court of the City of Pevely is no longer holding bond money that is not assigned to an open pending case.*

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# Twenty-Third Judicial Circuit

## City of Pevely Municipal Division

### Organization and Statistical Information

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The City of Pevely Municipal Division is in the Twenty-Third Judicial Circuit, which consists of Jefferson County. The Honorable Troy A. Cardona 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 court costs are collected at times other than during court and transmitted to the city treasury.

#### Personnel

At December 31, 2012, the municipal division employees were as follows:

| Title               | Name             |
|---------------------|------------------|
| Municipal Judge (1) | Denis Huston     |
| Court Administrator | JoAnn Bates      |
| Court Administrator | Evelyn Haithcoat |

- (1) Because the elected Municipal Judge was unable to fulfill his duties for personal reasons, Steven Davis was appointed Chief Administrative Judge in March 2013. Municipal Judge Huston's term ends April 2014.

#### Financial and Caseload Information

|                       | Year Ended<br>December 31, 2012 |
|-----------------------|---------------------------------|
| Receipts              | \$290,665                       |
| Number of cases filed | 2,109                           |