



Office of Missouri State Auditor
Nicole Galloway, CPA

**Third Judicial Circuit
City of Bethany
Municipal Division**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Third Judicial Circuit - City of Bethany Municipal Division

Background	In February 2017, the Board of Aldermen of the City of Bethany voted to discontinue the city's municipal division and transfer operations to the Harrison County Associate Court. In May 2017, the City of Bethany transferred all court operations to the Harrison County Associate Court. Because the municipal division has been dissolved, a recommendation is not provided to the court, but a recommendation has been made to the police department.
Ticket Accountability	Neither the police department nor the municipal division had developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued. In addition, ticket books are not assigned to officers in sequential order.

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.

Third Judicial Circuit

City of Bethany Municipal Division

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

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

We have audited certain operations of the City of Bethany Municipal Division of the 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 March 31, 2017. 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 and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

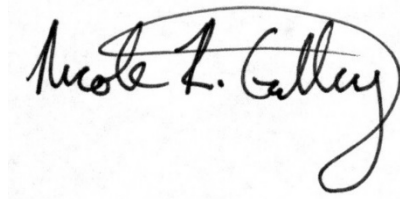
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that 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 applicable 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 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 control, (2) no significant noncompliance with legal provisions, (3) no significant noncompliance with court rules, and (4) no significant noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our finding arising from our audit of the City of Bethany Municipal Division of the Third Judicial Circuit.

A petition audit of the City of Bethany, 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 that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping 'y' at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Keisha Guthrie
Audit Staff:	Susan D. Mason, CPA

Third Judicial Circuit

City of Bethany Municipal Division

Introduction

Background

In February 2017, the Board of Aldermen of the City of Bethany voted to discontinue the city's municipal division and transfer operations to the Harrison County Associate Court. City officials believed this transfer of operations would be a more cost-effective option for the city.

In May 2017, the City of Bethany transferred all court operations to the Harrison County Associate Court. The city continues to operate a police department.

The municipal division was still in operation during the audit period and ceased operation during our audit fieldwork. The finding presented in this report identifies an important concern and relevant corrective actions. Because the municipal division has been dissolved, a recommendation is not provided to the court, but a recommendation has been made to the police department.

Third Judicial Circuit
City of Bethany Municipal Division
Management Advisory Report - State Auditor's Findings

Ticket Accountability

Neither the police department nor the municipal division has developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued. In addition, ticket books are not assigned to officers in sequential order.

The police department maintains a log of ticket books assigned to each officer; however, the books are not assigned in sequential order. The police department maintains any voided tickets, and all remaining tickets are forwarded to the court for processing. However, there are no procedures or records to account for the numerical sequence and ultimate disposition of all tickets issued to ensure tickets have been handled properly.

Without properly accounting for the numerical sequence and ultimate disposition of tickets, the municipal division and police department cannot be assured all tickets issued are properly submitted for processing. In addition, accounting for the ultimate disposition of all tickets issued decreases the risk of loss, theft, or misuse of funds.

Recommendation

The city of Bethany Police Department ensure records are maintained to account for the numerical sequence of all traffic tickets issued, as well as the ultimate disposition of tickets. In addition, ticket books should be assigned to officers in sequential order.

Auditee's Response

The Police Chief provided the following response:

I agree to implement this recommendation once the few remaining ticket books on hand have been issued. We will be ordering new tickets in the near future and I will ensure the books are assigned sequentially and will account for the numerical sequence and ultimate disposition of all traffic tickets issued.

Third Judicial Circuit

City of Bethany Municipal Division

Organization and Statistical Information

The City of Bethany Municipal Division is in the Third Judicial Circuit, which consists of Grundy, Harrison, and Mercer Counties. The Honorable Jack E. Peace 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. Prior to dissolving, the municipal division utilized Incode, an automated case management system. Court services are now handled by the Harrison County Associate Court, which uses an automated case management system known as the Justice Information System (JIS) provided by the Office of State Courts Administrator.

Personnel

At March 31, 2017, the municipal division employees were as follows:

Title	Name
Municipal Judge	Thomas Alley
City Clerk	Nita Schroff
Prosecuting Attorney	Tara Walker

Financial and Caseload Information

	Year Ended March 31, 2017
Receipts	\$16,859
Number of cases filed	187

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 15.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Sheriff's Retirement	3.00
Court Automation	7.00
Inmate Security (Biometric Verification)	2.00