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Missouri State Auditor

Forty-Second Judicial Circuit

City of Bourbon Municipal Division

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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Forty-Second Judicial Circuit, City of Bourbon Municipal Division

Accounting Controls and Procedures	The Court Clerk is primarily responsible for all duties related to collecting and disbursing monies, and the Municipal Judge does not document his review. At least \$337 was received but not recorded in the Justice Information System (JIS) and therefore could not be traced to deposits in the municipal court bank account. The Court Clerk does not record manual receipt slips in the JIS in a timely manner in the order received, reconcile the composition of receipts (cash, check, or money order) to the composition of deposits, or restrictively endorse checks and money orders immediately upon receipt.
Bank Reconciliations and Liabilities	The Court Clerk does not reconcile the bank account timely or follow up on reconciling items and outstanding checks. The Court Clerk does not prepare a list of liabilities for comparison to the reconciled bank account balance and is unable to agree liabilities to the account balance. At our request, the Court Clerk prepared a list of liabilities but was unable to determine why the list of liabilities was \$1,012 less than the reconciled bank balance.
Monitoring of Excess Revenues	The city does not accurately assess whether it owes excess revenues from traffic tickets to the state. Our review determined the city likely owes between \$34,718 and \$59,155 to the Department of Revenue for the 2 years ended June 30, 2013.
Ticket Controls and Procedures	Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued. Our review of tickets issued during the year ended June 30, 2013, identified three unaccounted for tickets. Police Department personnel indicated these tickets had been lost, but had no record of these tickets. The City Prosecuting Attorney does not sign tickets submitted to the municipal division, which increases the risk of improper handling of tickets and related monies.
Bad Checks	The municipal division lacks adequate procedures to account for and monitor the disposition of all bad checks submitted to the municipal division for collection, so there is no assurance all bad check complaint are processed timely. We reviewed five bad check complaints and identified an average lag of 331 days between the date of the complaint and the initial court date.

Accrued Costs

The Court Clerk does not consistently follow up on fines, court costs and restitution owed to the municipal division. For the 10 open cases we reviewed: warrants had been issued on 2 cases but were not active; 2 cases remained on the accrued costs report although the defendant was deceased; 2 defendants were behind on payments but there was no indication the Court Clerk had followed up on the cases for non-payment; and 1 case remained on the accrued costs reports although the defendant had stopped making payments to a business and the business had closed.

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

*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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Forty-Second Judicial Circuit

City of Bourbon Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Accounting Controls and Procedures4 2. Bank Reconciliations and Liabilities.....7 3. Monitoring of Excess Revenues.....9 4. Ticket Controls and Procedures11 5. Bad Checks.....12 6. Accrued Costs.....13
---	---

Organization and Statistical Information	15
---	----



THOMAS A. SCHWEICH

Missouri State Auditor

Presiding Judge
Forty-Second Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Bourbon, Missouri

We have audited certain operations of the City of Bourbon Municipal Division of the Forty-Second 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 June 30, 2013. 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.
3. Evaluate the city's compliance with Section 302.341.2, RSMo, which restricts the amount of fines and court costs that may be retained from traffic violations.

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) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bourbon Municipal Division of the Forty-Second Judicial Circuit.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Forty-Second Judicial Circuit

City of Bourbon Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

We identified significant weaknesses in the accounting controls and procedures of the municipal division. Due to these weaknesses, there is no assurance all monies received were appropriately recorded, deposited, and distributed. According to the Justice Information System (JIS), the Missouri Courts automated case management system, fines, court costs, and bad check restitution collected during the year ended June 30, 2013, totaled approximately \$271,600.

1.1 Segregation of duties

The municipal division does not adequately segregate the duties of receiving and depositing monies from recording transactions. The Court Clerk is primarily responsible for all duties related to collecting monies; posting fines, court costs, and bad check restitution received into the JIS; preparing deposits; and disbursing fines and court costs. The Municipal Judge does not document his review; however, he stated he reviews at least one deposit during each month. Also, city officials independent of the cash custody and record-keeping functions do not provide any supervision or review of the work performed by the Court Clerk.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, the Municipal Judge should establish procedures to ensure a documented independent review of accounting records is performed.

1.2 Manual receipt slips and unaccounted for monies

Municipal division receipts totaling at least \$337 were received, but not recorded in the JIS; and therefore, could not be traced to a deposit in the municipal court bank account. In addition, manual receipt slips issued by the Court Clerk were not recorded in the JIS in a timely manner and in the order received, and therefore, were not deposited timely and intact. Furthermore, the Court Clerk did not perform reconciliations of manual receipt slips issued to manual receipt slips recorded in the JIS. Manual receipt slips are issued during court and when the JIS is not available, and entered into the JIS prior to the deposit of the corresponding monies.

We reviewed all manual receipt slips issued during July and November 2012 and March 2013. Various discrepancies and processing delays were determined and are discussed below, making efforts to trace manual receipts to the JIS and subsequent deposit difficult and, in many instances requiring a review of records for several months after initial receipt of monies to determine their disposition. We expanded our work to include all manual receipt slips issued between July 1, 2013, and September 12, 2013, and encountered similar problems.

- One manual receipt slip issued on November 29, 2012, for \$279.50 (check) for a traffic ticket payment and another manual receipt slip



Forty-Second Judicial Circuit
City of Bourbon Municipal Division
Management Advisory Report - State Auditor's Findings

issued on July 24, 2012, for \$57.45 (cash) for bad check restitution had not been recorded in the JIS as of July 2013 and therefore, could not be traced to a deposit in the municipal court bank account.

- The Court Clerk does not record manual receipt slips in the JIS on a timely basis, and as a result, the corresponding monies are not deposited timely. Receipts are only included in daily deposits if they are recorded in the JIS. For example, two manual receipt slips issued for cash on March 22, 2012, were not recorded in the JIS until February 1, 2013, 317 days later, and apparently the corresponding monies were not deposited until February 4, 2013.

In another example, a manual receipt slip issued on March 28, 2013, for \$25 cash was not on hand during our cash count on May 8, 2013, even though the manual receipt slip had not been recorded in the JIS nor the cash deposited as of that date. After we requested the related case file, this receipt was recorded in the JIS on June 3, 2013.

We performed three cash counts during audit fieldwork. Monies on hand should agree to receipt records plus change fund monies on hand. However, our cash counts did not agree to receipt records and showed monies on hand not yet receipted or recorded in the JIS. The amount of cash on hand at the time of our September 18, 2013, cash count totaled \$1,497, and was \$170 less than the amount of cash we estimated should be on hand by totaling the amount of manual receipt slips issued since July 1, 2013, for receipts not yet deposited, plus monies on hand and not recorded and the estimated change fund balance. The estimate of cash that should have been on hand may have been more had we reviewed additional manual receipt slips preceding July 1, 2013.

- The Court Clerk does not record manual receipt slips in the JIS in the order received and as a result, the monies recorded on these receipt slips are not deposited intact. We reviewed 30 manual receipt slips issued between July 1, 2013, and September 12, 2013, and noted 22 of the receipt slips (73 percent) were not entered into the JIS in the order received. For example, 9 manual receipt slips totaling \$483 issued between August 2, 2013, and August 22, 2013, had not been entered into the JIS at the time of our review on September 18, 2013; however, 6 manual receipts issued between August 29, 2013, and September 12, 2013, had been entered into the JIS at the time of our review. The Court Clerk does not document the JIS receipt numbers on the manual receipt slips, making it difficult to determine which manual receipt slips have been recorded into the JIS.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for manual receipt



slips and verify receipts have been recorded in the JIS timely and intact and deposited timely.

1.3 Receipting and Depositing

The Court Clerk does not reconcile the composition (cash, check, and money order) of receipts recorded in the JIS to the composition of deposits. When receipts are recorded in the JIS, the composition is indicated; however, the composition is not reconciled to the deposits prepared. Our review of 31 deposits identified 13 deposits (42 percent) with discrepancies between the amounts of cash, checks, and money orders recorded in the JIS and the amounts recorded on the deposit slips. Some of the differences appeared to relate to checks and money orders written to the court for incorrect amounts, which resulted in the incorrect amount of cash being deposited to get the total of the deposit to agree to the total of the daily report generated from the JIS. However, in one case, a \$160 check was recorded in the JIS, but not included in the deposit and approximately \$160 in cash was deposited. In another example, a \$268 money order dated August 3, 2012, was recorded on two different receipt slips. A receipt slip was issued for \$29.50 on November 19, 2012, and another receipt slip was issued for \$238.50 on January 28, 2013. Because the money order was recorded on two different dates, the amount of money orders and cash recorded in the JIS and included in the deposits differed for both deposits.

Additionally, checks and money orders received by the municipal division are not restrictively endorsed until the deposit is prepared.

To ensure all monies received are accounted for properly, recorded, and deposited, the composition of receipts should be reconciled to the composition of deposits. Any discrepancies in composition or other details should be investigated and resolved. In addition, to adequately safeguard receipts, monies received should be restrictively endorsed immediately upon receipt.

Recommendations

The City of Bourbon Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If it is not possible to segregate duties, documented periodic reviews of municipal division records should be performed by a person independent of accounting functions.
- 1.2 Ensure manual receipt slips are recorded in the JIS timely and intact and the corresponding monies received are deposited timely. Additionally, the municipal division should follow up on the unaccounted for monies and attempt to recover these funds.
- 1.3 Reconcile the composition of recorded receipts to the composition of deposits and endorse checks immediately upon receipt.



Auditee's Response

The Municipal Judge and Court Clerk provided the following responses:

- 1.1 *Currently, we do not have enough staff to segregate duties or ensure periodic independent reviews of records are performed.*
- 1.2 *Manual receipt slips are entered in the JIS and deposits are made as timely as the workload allows. We found where this \$57.45 bad check receipt was deposited and disbursed from the restitution account. It was not recorded in JIS, because criminal charges were never filed. We believe the \$279.50 check was lost.*
- 1.3 *We will begin to reconcile the composition of receipts to the composition of deposits. We will also start endorsing checks upon receipt.*

Auditor's Comment

- 1.1 The Municipal Division should reconsider segregating accounting duties to the extent possible or ensure periodic reviews of municipal division records are performed by an independent person and documented.

2. Bank Reconciliations and Liabilities

The municipal division's procedures regarding monthly bank reconciliations and liabilities are in need of improvement.

2.1 Bank reconciliations

We noted the following concerns during our review of the municipal division's bank reconciliations:

- The Court Clerk does not reconcile the bank account in a timely manner. When we started the audit in May 2013, the Court Clerk had not performed monthly bank reconciliations since October 2012. As of September 2013, the Court Clerk had performed bank reconciliations through April 2013.
- Reconciling items identified on the bank reconciliations are not followed up on timely and are carried forward from month to month. Therefore, appropriate adjustments are not made to the financial records timely. For example, an insufficient funds check written to the court and identified as a reconciling item on the October 2012 bank reconciliation was still identified as a reconciling item on the April 2013 bank reconciliation.
- The Court Clerk does not print a listing of outstanding checks when preparing the monthly bank reconciliations. In addition, she has not



Forty-Second Judicial Circuit
City of Bourbon Municipal Division
Management Advisory Report - State Auditor's Findings

followed up on outstanding checks since she became Court Clerk in September 2011.

Monthly bank reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors or discrepancies are detected and corrected on a timely basis. Complete documentation of the reconciliations, reconciling items, and outstanding checks, should be maintained to support conclusions and corrections, and to facilitate independent reviews.

2.2 Liabilities

The Court Clerk does not prepare a list of liabilities for comparison to the reconciled bank account balance, and is unable to agree liabilities to the account balance. At our request, the Court Clerk prepared a list of liabilities at April 30, 2013, and the list totaling \$11,516 was less than the reconciled bank balance of \$12,528 by \$1,012. The Court Clerk was unable to determine the reason for this discrepancy.

Because monthly lists of liabilities are not prepared, liabilities are not adequately reviewed to ensure bonds or other monies are disbursed in a timely manner. The Court Clerk was not aware the JIS could print a list of liabilities until we discussed this issue with her. The JIS liabilities report generated on May 15, 2013, included 12 bonds totaling \$2,850 dated in 2011 and 14 bonds totaling \$4,160 dated in 2012.

Monthly reconciliations between liabilities and the reconciled bank account balance are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities. In addition, monthly lists of liabilities are necessary to ensure all bond dispositions have been properly recorded. To properly monitor bonds and ensure monies are disbursed as appropriate, procedures should be followed to routinely investigate bonds remaining on the liabilities list over a specified period of time.

Recommendations

The City of Bourbon Municipal Division:

- 2.1 Perform timely monthly bank reconciliations, resolve reconciling items timely and make appropriate adjustments to the accounting records, and establish procedures to identify and routinely follow up on outstanding checks.
- 2.2 Prepare monthly lists of liabilities and reconcile to the bank balance, promptly investigate and resolve differences, and establish procedures to review the status of liabilities to determine the appropriate disposition of funds held.



Auditee's Response

The Municipal Judge and Court Clerk provided the following responses:

- 2.1 *Bank reconciliations have now been performed through February 28, 2014, and reconciling items have been followed up on. The Court Clerk is in the process of following up on outstanding checks.*
- 2.2 *We will print and review open items listings, reconcile to the bank reconciliations, and take appropriate action regarding old bonds.*

3. Monitoring of Excess Revenues

The city's excess traffic violation revenue calculations incorrectly include restricted revenues and do not give consideration to specific traffic ticket violations or location of the violation to identify what tickets and related revenue should be included in the calculations. As a result, the city's calculations do not accurately assess whether excess revenues are due to the state.

The city performed excess revenues calculations for the 2 years ended June 30, 2013, and determined the percentage of fines and court costs for traffic violations as compared to annual general operating revenues to be less than the statutory threshold requiring payment to the Missouri Department of Revenue (DOR). However, our review of those calculations determined the city likely owes between \$34,718 and \$59,155 to the DOR for the 2 years ended June 30, 2013.

Prior to August 28, 2013, Section 302.341.2, RSMo, required municipalities deriving more than 35 percent of their annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to turn the excess over to the DOR, to be distributed to schools of the county. Effective August 28, 2013, this law was revised, reducing the 35 percent requirement to 30 percent, expanding the type of traffic violations that must be considered, and requiring the city provide an accounting for the percent of annual general operating revenue from fines and court costs in their annual financial report submitted to the State Auditor's office as required by Section 105.145, RSMo. Also, according to DOR rule, 12 CSR 10-44.100, payment of excess revenues should be made by the last day of the second month immediately following the end of the fiscal year.

For the year ended June 30, 2013, the city calculated fines and court costs to be 30 percent of general operating revenues. Based on this calculation, the city determined it did not have excess revenue from fines and court costs for the year ended June 30, 2013. Similar calculations were made for the year ended June 30, 2012, and the city determined it did not have excess revenue for the year ended June 30, 2012.



Forty-Second Judicial Circuit
City of Bourbon Municipal Division
Management Advisory Report - State Auditor's Findings

However, the revenues the city included in the excess revenue calculations included various restricted revenues and waste collection user fees, which are not general operating revenues of the city. The restricted revenue included real estate property taxes restricted for city parks and the police department, state motor vehicle sales and gasoline taxes restricted for street-related purposes, restricted court fees, etc. Since these are not general operating revenues of the city, they should be excluded from the general operating revenues amount used in the calculation of the percent fines and court costs represent as compared to general operating revenues.

The following table, using the city's revenue and expense reports, indicates the calculation of 35 percent of general operating revenues for the years ended June 30, 2013, and 2012, after excluding restricted revenues:

	Year Ended June 30,	
	2013	2012
General Operating Revenues	\$ 811,630	754,889
Less Restricted Revenues:		
Waste collection user fees	(43,882)	(8,529)
Police department real estate property taxes	(18,046)	(31,299)
Park department real estate property taxes	(11,938)	(9,902)
State motor vehicle sales tax	(86,908)	(81,636)
State motor vehicle gasoline tax	(64,037)	(54,792)
Grants	(27,700)	(9,986)
Crime victim compensation fees	(633)	(700)
Bond forfeitures	0	(850)
General Operating Revenues (Less Restricted Revenues)	558,486	557,195
35 Percent of General Operating Revenues	\$ 195,470	195,018

The city did not track traffic tickets issued by location. Upon our request, the municipal division prepared a report of traffic tickets issued by location during the year ended June 30, 2013. This report indicated fines and court costs for the year ended June 30, 2013, totaled \$244,107 and of this amount, \$224,021 (92 percent) related to tickets issued on state and federal highways.

The Missouri Vehicle Stops Annual Report prepared by the Police Department and filed with the Missouri Attorney General's Office for 2012 indicated 87 percent of tickets issued by the city were for violations on a state or federal highway within the city. We also selected a sample of 54 tickets issued by the municipal division for traffic violations during the period from July 2012 through May 2013, and determined that 45 of these tickets (83 percent) were issued on state or federal highways. The fines and court costs collected on those 45 tickets accounted for 92 percent of the total amount collected on the 54 tickets.



Forty-Second Judicial Circuit
City of Bourbon Municipal Division
Management Advisory Report - State Auditor's Findings

Based on the above data, the amount received from fines and court costs for traffic violations on state or federal highways would likely be between \$202,033 (87 percent) and \$213,644 (92 percent) based on fines and court costs reported on the city's revenue and expense report totaling \$232,222 for the year ended June 30, 2013, and between \$223,173 (87 percent) and \$235,999 (92 percent), based on fines and court costs reported for the year ended June 30, 2012, totaling \$256,521. As a result, the excess revenues to be turned over to the DOR would be between \$6,563 and \$18,174 for the year ended June 30, 2013, and between \$28,155 and \$40,981 for the year ended June 30, 2012. However, the city and municipal division should review all tickets to determine actual excess revenues.

The municipal division should work with the city to establish procedures for tracking tickets to ensure compliance in the future.

Recommendation

The City of Bourbon Board of Aldermen ensure only general operating revenues are included in the annual excess revenue calculations. In addition, the Board of Aldermen should work with the municipal division to track collections from fines and court costs for traffic violations, recalculate excess revenues for fiscal years 2012 and 2013, and make appropriate payments to the DOR for any additional excess revenues.

Auditee's Response

The Board of Aldermen, Mayor, City Attorney, and City Clerk provided the following response:

The Board of Aldermen will ensure only general operating revenues are included in the annual excess revenue calculations. In addition, the Board of Aldermen will work with the municipal division to track collections from fines and court costs for traffic violations. The Board of Aldermen will also recalculate excess revenues for fiscal years 2012 and 2013 and make appropriate payments to the DOR for additional excess revenues.

4. Ticket Controls and Procedures

Municipal division procedures regarding the accountability and disposition of tickets need improvement.

4.1 Ticket accountability

Neither the Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer by maintaining the unused ticket books in envelopes and having officers sign for books. When tickets are issued, officers turn the tickets over to the Court Clerk to be processed. Neither the Police Department nor the Court Clerk tracks the numerical sequence or monitors the disposition of the individual tickets issued. We reviewed tickets issued during the year ended June 30, 2013, and identified three unaccounted for



tickets. Police Department personnel indicated these tickets had been lost by one officer and the department had no record of these tickets.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the Police Department and the municipal division cannot ensure all tickets issued are properly submitted for processing.

4.2 Ticket disposition

The City Prosecuting Attorney does not sign tickets submitted to the municipal division. Unsigned tickets are processed through the municipal division. Without formal approval by the City Prosecuting Attorney of all tickets processed the risk of improper handling of tickets and related monies increases.

Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. The City Prosecuting Attorney's review, documented with his signature, is needed to provide proper assurance cases and charges are filed with the municipal division.

Recommendations

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

4.2 The City Prosecuting Attorney sign all tickets.

Auditee's Response

4.1 *The Municipal Judge, Court Clerk, and Police Chief provided the following response:*

The Police Department is in the process of developing a spreadsheet to account for tickets.

4.2 *The City Prosecuting Attorney provided the following response:*

We will take steps to ensure all tickets going to the municipal division are reviewed and signed by the Attorney.

5. Bad Checks

The municipal division does not have adequate procedures in place to account for and monitor the disposition of all bad checks submitted to the division for collection. The City of Bourbon passed an ordinance allowing the municipal division to collect bad checks for city merchants.

Bad check complaint forms submitted by merchants when bad checks are turned over to the municipal division for collection are not assigned a sequential tracking number. In addition, bad check complaint forms received by the municipal division are not processed in a timely manner. We



reviewed 5 bad check complaints and identified a lag between the date the complaint was received and the initial court date ranging from 131 to 685 days (average of 331 days). Without a tracking procedure, there is no assurance all bad check complaints are processed timely.

To ensure bad check complaints are handled and accounted for properly and timely, a sequential number should be assigned to each bad check complaint form immediately upon receipt. This number should be used to track the status and disposition of the corresponding bad check.

Recommendation

The City of Bourbon Municipal Division develop procedures and records that provide sufficient information to track the receipt and disposition of all bad check complaints, and ensure all bad check complaints are processed timely.

Auditee's Response

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

As of August 1, 2013, the Bourbon Municipal Court no longer accepts bad checks for prosecution. Merchants are asked to forward all bad checks to the Crawford County Prosecuting Attorney's office.

6. Accrued Costs

The Court Clerk does not consistently follow up on accrued costs (receivables) owed to the municipal division, including fines and court costs, incarceration costs, and court-ordered restitution. Accrued costs recorded on the JIS totaled approximately \$27,000 as of July 2013.

The Court Clerk maintains manual records of all cases on a payment plan, but does not maintain an accrued costs listing of all monies owed to the municipal division. An accrued costs list is maintained on the JIS; however the Court Clerk was not aware this report could be generated until we discussed this issue with her.

We reviewed 10 open cases from the JIS accrued costs report and determined the following:

- For two cases, the case files indicated the municipal division issued warrants for non-payment; however, the warrants were not active in the law enforcement system.
- Two cases related to one defendant remained on the accrued costs report although the defendant was deceased.
- For two cases, the defendants were behind in making the required payments; however, there was no documentation in the case files to indicate the Court Clerk had followed up on the cases for non-payment.



Forty-Second Judicial Circuit
City of Bourbon Municipal Division
Management Advisory Report - State Auditor's Findings

- Another case dating back to 2001 remained on the accrued costs report although the defendant had stopped making payments on restitution to a business and the business had closed.

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and determine appropriate handling when amounts are deemed uncollectible.

Recommendation

The City of Bourbon Municipal Division establish procedures to routinely review the accrued costs list and ensure proper follow up on amounts due, and provide information to and work with the Municipal Judge regarding amounts deemed uncollectible.

Auditee's Response

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

We are in the process of implementing this recommendation.

Forty-Second Judicial Circuit

City of Bourbon Municipal Division

Organization and Statistical Information

The City of Bourbon Municipal Division is in the Forty-Second Judicial Circuit, which consists of Crawford, Dent, Iron, Reynolds and Wayne Counties. The Honorable Kelly Parker 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 June 30, 2013, the municipal division employees were as follows:

Title	Name
Municipal Judge	Donald A. Peterson
Court Clerk	Andrea Holland

Financial and Caseload Information

	Year Ended June 30, 2013
Receipts	\$271,639
Number of cases filed	1,731