



Thomas A. Schweich
Missouri State Auditor

Second Judicial Circuit

City of Kirksville Municipal Division



May 2014

Report No. 2014-038

<http://auditor.mo.gov>



CITIZENS SUMMARY

Findings in the audit of the Second Judicial Circuit, City of Kirksville Municipal Division

Ticket Accountability

The Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. For 2 of 20 tickets tested, the municipal division incorrectly entered the ticket number into the case management system without detection. Properly accounting for the numerical sequence and ultimate disposition of tickets is necessary to reduce the risk of loss, theft, or misuse of funds.

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.

Second Judicial Circuit

City of Kirksville Municipal Division

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THOMAS A. SCHWEICH

Missouri State Auditor

Presiding Judge
Second Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
Kirksville, Missouri

We have audited certain operations of the City of Kirksville Municipal Division of the 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 December 31, 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) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) no noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our finding arising from our audit of the City of Kirksville Municipal Division of the Second Judicial Circuit.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible, and "A." as a middle initial.

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:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Josh Allen, CPA, CFE
Audit Staff:	Keisha Williams

Second Judicial Circuit

City of Kirksville Municipal Division

Management Advisory Report - State Auditor's Findings

Ticket Accountability

The Police Department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

The Police Department tracks the ticket book numbers assigned to each officer on a log. When tickets are issued, officers enter the ticket information into a computerized system. After tickets are reviewed by supervisory personnel within the Police Department, the tickets, with the exception of those voided or filed in the Circuit Court, are forwarded to the Assistant City Prosecutor for review. The Assistant City Prosecutor may dismiss (not file) tickets issued for certain violations. For example, tickets issued for no proof of insurance may be dismissed if the defendant provides proof of insurance. These dismissed tickets are retained by the Assistant City Prosecutor. For tickets with charges to be filed, the Assistant City Prosecutor will sign the tickets and forward them to the municipal division to be entered into the case management system and processed. Neither the Police Department nor the municipal division performs procedures to review the numerical sequence of tickets issued or processed to identify missing tickets.

For 2 of 20 tickets tested, the municipal division incorrectly entered the ticket number into the case management system, making it difficult to ensure the ticket had been properly filed with the municipal division. Had the numerical sequence of tickets been accounted for, these errors may have been detected.

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. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds.

Recommendation

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

Auditee's Response

The Municipal Judge provided the following written response:

As a result of this audit and discussion in this regard, the municipal division has further implemented a separate set of records to further verify the disposition of all tickets issued by the Police Department. These additional reports and documentation were discussed with the audit staff at the final exit conference.

Second Judicial Circuit

City of Kirksville Municipal Division

Organization and Statistical Information

The City of Kirksville Municipal Division is in the Second Judicial Circuit, which consists of Adair, Knox, and Lewis Counties. The Honorable Russell E. Steele 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, 2013, the municipal division employees were as follows:

Title	Name
Municipal Judge	Phoebe Powell Sutton
Court Clerk	Linda Sandstrom
Deputy Court Clerk	Kelli Partin

Financial and Caseload Information

	Year Ended December 31, 2013
Receipts	\$139,329
Number of cases filed	1,223