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Thirty-Seventh Judicial Circuit

City of West Plains Municipal Division

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-Seventh Judicial Circuit, City of West Plains Municipal Division

Municipal Division Records	Municipal division records are not maintained in an accurate, complete, and organized manner. We identified numerous discrepancies between manual records and electronic records, so we have no assurance the court properly handled transactions. Court administrators do not always accurately or timely post receipts to the case management system or reconcile case information to manual receipt slips and deposit records. Court Administrators do not always assess fines and court costs in accordance with the violation bureau schedule, Municipal Judge's orders, or plea agreements. In 4 cases related to 2 defendants, fines and court costs totaling \$825 were waived with no evidence the Municipal Judge authorized the waivers. Court administrators do not ensure approved plea agreements are maintained in the case files, and the municipal division does not have adequate procedures to properly monitor the status of cases through final disposition. The court administrators could not locate 20 manual case files requested during the audit.
Accounting Controls and Procedures	Court administrators do not adequately monitor accrued costs and do not periodically reconcile the manual accrued costs report to balances recorded in the case management system. Some balances were overstated, while others were understated. The municipal division does not adequately segregate duties or perform adequate independent reviews of accounting records. The municipal division does not ensure noncash transactions are properly documented in the case management system. During the year ended March 31, 2014, court administrators made 314 noncash transactions totaling \$19,699.
Municipal Division Procedures	Neither the police department nor the municipal division adequately accounts for the ultimate disposition of all traffic tickets, and the municipal division does not maintain adequate records to account for all parking ticket payments received. The municipal division has not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office. The city's fiscal year end March 31, 2014, financial report did not provide an accounting of the percent of annual general operating revenue from fines and court costs related to traffic violations as required by Section 302.341.2, RSMo.

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

*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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Thirty-Seventh Judicial Circuit

City of West Plains Municipal Division

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THOMAS A. SCHWEICH

Missouri State Auditor

Presiding Judge
Thirty-Seventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
West Plains, Missouri

We have audited certain operations of the City of West Plains Municipal Division of the Thirty-Seventh 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, 2014. 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 municipal division's compliance with certain court rules.
4. 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 tested certain of those controls to obtain evidence regarding the effectiveness of their design and 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 control, (2) no significant noncompliance with legal provisions, (3) noncompliance with court rules, and (4) noncompliance with Section 302.341.2, RSMo. The accompanying Management Advisory Report presents our findings arising from our audit of the City of West Plains Municipal Division of the Thirty-Seventh Judicial Circuit.



Thomas A. Schweich
State Auditor

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Management Advisory Report - State Auditor's Findings

1. Municipal Division Records

Municipal division records are not maintained in an accurate, complete and organized manner. The 2 court administrators maintain manual and electronic records. The Municipal Judge indicated his manual notations on the docket sheets are the official record of the court proceedings and he prefers the electronic case management system to be the official accounting record of the court. The court administrators and the city are working towards issuing receipt slips electronically from the case management system, and once implemented, the court will be required to maintain accounting records electronically as required by Supreme Court Operating Rule 4.52. The court administrators began using the case management system in 1999 and the city recently purchased software to enable the system to generate receipts slips electronically. Currently the court administrators issue manual receipt slips and record case activity in both the manual case files and the case management system. Because the case management system is used to create the dockets for the court hearings and the court will need to maintain accounting records electronically when the receipting software is implemented, it is important that the information recorded is complete and accurate.

Our reviews identified numerous discrepancies between manual records and electronic records. As a result, we have no assurance transactions were properly handled.

1.1 Recording and reconciliation

Court administrators do not always accurately or timely post receipts to the case management system. In addition, the court has no process to reconcile case information to manual receipt slips and deposit records.

We reviewed 264 manual receipt slips issued during July 2013 and determined court administrators did not post 16 of the receipt slips to the case management system until 4 to 91 days after receipt. Also, the court administrators did not post 2 of the receipt slips to the system, posted 11 of the receipt slips with the wrong method of payment, and posted 3 of the receipt slips with the wrong amounts. For example, a receipt for \$166 was recorded as \$66 in the case management system because the court administrators had not assessed an additional \$100 in fines and court costs to a case as ordered by the Municipal Judge. Instead of correcting the fines and court costs assessed and posting the full amount received, the court administrators only posted \$66 of the \$166 received in the system.

Our review of cases related to 115 defendants identified amounts recorded on 26 manual receipt slips and deposit records did not agree to amounts posted to the system. Court administrators indicated these differences were likely due to data entry errors.

Neither the municipal division nor city personnel reconcile a daily report of receipts posted to the case management system to the manual receipt slips



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and the deposit. As a result, court administrators did not identify discrepancies between manual records and system records and did not detect and correct posting errors.

To reduce the possibility of loss, theft, or misuse of funds, and to ensure cases are processed properly, case activity should be accurately and timely recorded in the case management system and reconciled to monies received and deposited.

1.2 Fines and court costs

Court administrators do not always assess fines and court costs in accordance with the violations bureau (VB) schedule, Municipal Judge's orders, or plea agreements. The VB schedule shows the standard fines and court costs for violations payable through the VB prior to the court date. In addition, court administrators do not ensure adequate supporting documentation is obtained for changes to the assessed fines and court costs.

- Court administrators do not properly update fines and court costs assessed in the system to amounts ordered by the Municipal Judge when those amounts vary from standard fines and court costs. The system automatically assesses the standard fine and court costs for a violation when the ticket is initially recorded in the system. In our review of cases related to 115 defendants, we identified fines and court costs assessed in the case management system for 27 defendants did not agree to fines and court costs ordered by the Municipal Judge. For example, one defendant was initially assessed the standard fines and court costs of \$225 when the ticket was recorded in the system and the Municipal Judge later ordered fines and court costs of \$25 on the docket sheet, but the court administrators did not update the system to agree to the Municipal Judge's orders.
- A separate review identified 4 cases related to 2 defendants in which fines and court costs totaling \$825 were improperly waived and reduced to zero in the system. The Municipal Judge indicated he normally authorizes the waiving of fines and court costs in writing on the manual docket sheets. The docket sheets for these cases did not include the Municipal Judge's written authorization. Rather, court administrators made written comments along with their initials on the docket sheets indicating the Municipal Judge had approved the waivers.
- Court administrators do not ensure approved plea agreements are maintained in the case files. When an alternative arrangement is agreed upon between the defendant and the Prosecuting Attorney, a plea agreement signed by both parties is necessary to document the amended charges and fines and court costs. For 7 of 12 cases reviewed, the case files did not contain documentation of approved plea agreements. For an



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additional case reviewed, the Prosecuting Attorney did not sign the documented plea agreement.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to ensure standard fines and court costs are collected through the VB, and any changes in assessed fines and court costs are approved by the Prosecuting Attorney or the Municipal Judge and properly recorded in the case management system.

1.3 Case disposition

The municipal division does not have adequate procedures to properly monitor the status of cases through final disposition. The court administrators enter the case status (such as hearing, failure to appear, payment plan, type of probation, extended, and finalized) and a future court date into the case management system. Because the court date determines which cases will appear on future dockets, it is important that the date be correctly entered. Neither the Municipal Judge nor city personnel adequately review the status and disposition of cases entered in the system.

In our review of cases related to 115 defendants, we determined the disposition or status of cases related to 59 defendants was not adequately tracked. Errors noted included inaccurate statuses and court dates in the case management system, inaccurate balances due and no active warrant for defendants with delinquent balances. For one case reviewed, the case management system showed a balance due of \$100 with an incorrect status of failure to appear and an incorrect court date of Saturday, September 22, 2007. As a result, this case was not included on a future docket and the case was not properly disposed in the system. Our review of the manual records verified the case was paid in full on August 23, 2007, and should have been disposed in the system with the remaining \$100 waived from the case at that time. The court administrators indicated that the defendant arrived late for court on August 23, 2007, paid the fine and court costs of \$85, and the \$100 fine for failure to appear was waived by the Municipal Judge. The court administrators failed to properly update the status, court date, and balance due in the system.

We also noted 2 instances where defendants received a suspended imposition of sentence (SIS) and the court administrators incorrectly entered future case disposition court dates of Friday, March 29, 2013, and Friday, April 11, 2014, following a 1 year probationary period. When we requested these case files in June 2014, they had not had any activity since the sentencing. However, the court administrators then changed the status in the system from "placed in SIS" to "discharged from SIS" and the related fines and court costs totaling \$225 were reduced to zero. The \$200 reduction of fines for one case appears appropriate per the manual docket sheet; however, the \$25 reduction of court costs for the other case was not



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authorized by the Municipal Judge and should have been paid. We were unable to trace the \$25 to a manual receipt slip and deposit record.

Because the municipal division does not have adequate procedures to properly monitor the status of cases through final disposition in the case management system, the court administrators were not aware of these errors until we brought them to their attention.

Accurate and timely recording of the status and disposition of cases in the case management system is necessary to ensure cases are processed properly and to reduce the possibility of loss, theft, or misuse of funds. In addition, case activity should be periodically reviewed by persons independent of the receipting and recording process.

1.4 Missing records

The court administrators could not locate 20 manual case files requested during the audit. As a result, we could not determine if the case and financial activity and disposition of those tickets had been properly reflected in the case management system.

Supreme Court Operating Rule No. 8 requires all financial records be maintained for 5 years or upon completion of an audit. Retention of applicable records is necessary to properly account for the municipal division's case and financial activity.

Recommendations

The City of West Plains Municipal Division:

- 1.1 Ensure case activity is accurately and timely recorded in the case management system and reconciled to manual receipt records and the deposits.
- 1.2 Develop procedures to ensure fines and court costs assessed agree to the standard fines and court costs, plea agreement, or the Municipal Judge's orders. In addition, ensure changes to assessed fines and court costs contain a documented approval by the Prosecuting Attorney or the Municipal Judge and are properly posted to the case management system.
- 1.3 Ensure the status and disposition of all cases are accurately and timely recorded in the case management system and periodically reviewed by persons independent of the receipting and recording process.
- 1.4 Ensure case records are appropriately retained.



Auditee's Response

The City of West Plains Municipal Division provided the following written responses:

1.1 *The court administrators have implemented a policy that all entries, both manual and electronic, shall be made immediately when at all possible and as soon thereafter otherwise. As far as the financial records of the court are concerned, the electronic record shall be the official and only record of the court upon the implementation of the electronic receipt recorder computerized component of the case management system, which is currently scheduled for the first day of December 2014. It is anticipated that the manual financial record (peg board system and handwritten receipts) will cease on December 31, 2014. After the implementation of the electronic receipt recorder component, all receipts of monies shall automatically update immediately upon the receipt of said payment. The City of West Plains financial accounting department shall do monthly reconciliations between all amounts received by the Municipal Division and the deposits made.*

The written record in the court file shall continue to be the official record as to amounts assessed, setting dates, findings of law and fact, procedural matters, etc.

1.2 *The Court has implemented a policy that the court administrators shall always confirm the amount assessed by the Municipal Judge on the docket sheet as opposed to referring to the court file label that provides for the standard fines and court costs amount. In addition, the Court has implemented a policy that any time the court administrators contact the Municipal Judge via telephone or other electronic means to discuss the amount of fines and court costs in regard to a particular file, that if the Municipal Judge assesses an amount different from the standard fines and court costs and verbally notifies the court administrator without having the file in front of the Municipal Judge, then the Municipal Judge shall make an entry on the docket in his own hand acknowledging the amount assessed if different from the standard fines and court costs as soon as possible thereafter. In addition, the court administrators shall receive a written plea agreement from the Prosecuting Attorney's office prior to the change in fines and court costs assessed if different from the standard fines and court costs assessed as a result of a recommendation from the Prosecutor's office.*

1.3 *Upon the implementation of the electronic receipt recorder computerized component, which is currently scheduled for the first day of December 2014, the court administrators shall print off a report showing all cases with an outstanding balance as well as a*



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report listing cases that are open but do not have a specific setting shown on the docket. These reports will be reviewed by the Municipal Judge as produced. It is the court's belief that many of the cases that were determined by the auditor to have inaccurate future setting dates (those set on weekend or holidays) and resulting in those cases not showing an accurate future docketing date were due to the fact that the court's case management system provides for automatic default date settings that are not in accordance with established court dates. For example, when a person makes a payment to the court, the case management system automatically shows the due date which is the third Thursday of each month. Additionally, Violator Compact (VC) (out of state) notices require a 15 day notice and Failure to Appear in Court for Traffic Violation (FACT) (in state) require a 30 day notice prior to the time being forwarded to the Missouri Department of Revenue. The court's case management system automatically defaults to a setting of 30 days for FACT or 15 days for VC in the future upon entry regardless as to whether that date is a weekend or holiday. The Court has contacted the court's case management provider as to whether a change may be made in the software to automatically set the matters on a court date as opposed to current default settings.

The City of West Plains financial accounting department shall perform a documented monthly reconciliation between all amounts received by the municipal division and the deposits made and review the report of cases with an outstanding balance.

- 1.4 *The court administrators are now implementing a policy wherein all case files shall be segregated per file cabinet by year with each year being contained in a separate file cabinet from any other years. In addition, it is the belief of this department that, as to the financial records of the court, the implementation of the electronic receipt recorder component of the case management program, digitization of these records, and the discontinuation of the manual receipt records will help to ensure the location of all financial records.*

2. Accounting Controls and Procedures

Accounting controls and procedures need improvement.

2.1 Accrued costs

Court administrators do not adequately monitor accrued costs and do not periodically reconcile the manual accrued costs report to balances recorded in the case management system.



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Court administrators record fines, court costs, and restitution ordered by the Municipal Judge and defendant payments on a manual payment plan card maintained for each case. Information from the payment plan cards are compiled into a spreadsheet of accrued costs and reported to the city. Accrued costs related to restitution are not included in the report to the city because restitution represents monies owed to victims and not to the city. As of March 31, 2014, the spreadsheet reported accrued costs of \$106,910.

The court administrators do not review or reconcile accrued costs recorded in the case management system to the manual records. The case management system can generate a report of balances due for citations with a conviction entered. The system calculates the accrued costs based on defendants with a conviction date and a balance due. As of April 2, 2014, the case management system reported \$112,070 as the balance due to the court. After accounting for restitution and timing differences due to the different reporting dates, we were unable to reconcile the two reports.

We performed a comparison of the manual records and case management system reports by defendant name and reviewed all cases pertaining to 115 defendants. We identified numerous under and over statements of account balances in both records and incorrect conviction dates recorded in the system.

- The system balance due was overstated for 46 defendants by \$3,802 because court administrators did not properly post some payments and did not properly record some documented waived fines and court costs.
- The system balance was understated for 5 defendants by \$315 because court administrators did not properly post some payments and had not properly assessed some fines and court costs.
- The manual balances due were overstated for 10 defendants by \$941 because court administrators did not properly post some documented waived fines and court costs on the payment plan cards and had not properly posted some payments to the cards.
- The manual balances due were understated for 18 defendants by \$2,219 because court administrators do not include restitution in the accrued costs reported to the city, made some calculation errors on the payment plan cards, incorrectly posted some payments to the cards, and had not properly posted some assessed fines and court costs to the cards.
- The court administrators did not enter a conviction date in the system for 27 defendants. As a result, the balances due for these defendants were not in the system report. The defendants had either pled guilty or been found guilty and ordered to pay fines and court costs.



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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.

2.2 Segregation of duties

The municipal division does not have an adequate segregation of accounting duties or independent review processes in place. Both court administrators perform the duties of receipting, recording, and depositing monies, and can handle transactions from receipt to deposit without involvement or review by other personnel. Neither the Municipal Judge nor city personnel perform adequate reviews of accounting records maintained by the court administrators. City personnel review copies of manual receipt slips and deposit slips but do not compare these records to the case management system and payment plan records.

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 and/or ensuring adequate independent reviews of accounting records are performed.

2.3 Noncash transactions

The municipal division does not ensure noncash transactions in the case management system are properly documented and has not established procedures for review and approval of noncash transactions by persons independent of the receipting process. The court administrators make noncash transactions to document community service performed in lieu of fines due, to correct posting errors as discussed above in MAR finding number 1.1, and to waive fines and court costs. Most noncash transactions should be supported by a judicial order on the docket sheet and a community service work form signed by a designated city supervisor attesting to hours of service completed. However, the municipal division did not maintain sufficient documentation to support numerous noncash transactions that occurred during the audit period. During the year ended March 31, 2014, court administrators made 314 noncash transactions totaling \$19,699.

Our review of 60 noncash transactions identified 13 transactions totaling \$706 that did not have adequate supporting documentation in the case files. For example, one of these transactions (for \$112) occurred on October 2, 2013, and was posted in the system with a purpose indicating it was to correct a posting error for a case paid in full. The manual case file docket indicated payment was made in full through the VB on September 19, 2013; however, we were unable to trace this transaction to a receipt slip and deposit. Upon our inquiry in June 2014, the court administrators indicated no payment was received due to the case being dismissed, and they



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proceeded to obtain documentation from the Prosecuting Attorney to support the dismissal of the case. We obtained confirmation from the defendant that no monies had been paid to the court for this case.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance noncash transactions are approved and accounted for properly. Noncash transactions should be supported by adequate documentation and reviewed and approved by someone independent of cash custody and record-keeping functions to ensure such transactions are appropriate.

Recommendations

The City of West Plains Municipal Division:

- 2.1 Ensure accrued costs are adequately tracked and properly reported.
- 2.2 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.
- 2.3 Require an independent review and approval of all noncash transactions, and retain adequate documentation to support noncash transactions.

Auditee's Response

The City of West Plains Municipal Division provided the following written responses:

- 2.1 *As stated above, upon implementation of the electronic receipt recorder component within the court's case management system, all accounting will be electronic. In addition, reports will be generated accounting for all fines, restitution, recoupment and court costs that are part of the accounts paid and accounts receivable. The City of West Plains financial accounting department will also do monthly reconciliations of all funds, regardless of category, paid to or owed to the municipal division.*
- 2.2 *At this time there are only two court administrators for the municipal division and both are authorized to receipt and record funds received. The Municipal Judge neither receives nor receipts moneys paid to the court for any purpose. Due to the fact there are only two court administrators and the reality of only one of these two being at the court offices at any given time (vacations, lunch breaks, etc.), it is not possible to designate only one court administrator to be the only individual to accept or receipt payments. However, the City of West Plains financial accounting department will be doing monthly reconciliations of all funds,*



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regardless of category, paid to or owed to the municipal division. The court administrators will also include receipt printouts listing daily amounts collected with their deposit information that is sent to the city's accounting department.

- 2.3 *The Municipal Judge currently does indicate on the docket those cases wherein the fines are waived or an individual may do Community Service Work (CSW) as a noncash transaction for payment of fines (court costs and restitution must be paid in cash) and has informed the court administrators that in those cases where so noted on the docket, they may accept noncash transactions of CSW as payment. The city and court have implemented a policy where the city shall keep track of the actual CSW performed by an individual and although the individual shall still be required to submit proof of completion of CSW in order to receive credit for the same, this completion of CSW will also be verified through comparison of records to be kept by the city also indicating the amount of CSW completed by the individual. In addition, the Municipal Judge will review a monthly report of all noncash transactions.*

3. Municipal Division Procedures

Procedures related to ticket accountability for traffic tickets, parking ticket receipts, and monitoring excess revenues need improvement. Audit work determined the need for better records and monitoring procedures by the municipal division and city to ensure compliance with state law.

3.1 Traffic ticket accountability

Neither the police department nor the municipal division adequately accounts for the ultimate disposition of all traffic tickets.

The police department tracks the ticket numbers per ticket book assigned to each police officer. When tickets are issued the police department enters ticket information into a manual log and into a computerized system. The police department maintains the voided tickets and signed receipts for tickets forwarded to the Circuit Court. All remaining tickets are forwarded to the West Plains Prosecuting Attorney. The West Plains Prosecuting Attorney then decides to dismiss or file the ticket with the court. The court administrators only track the tickets the court receives from the West Plains Prosecuting Attorney.

For 2 of 20 traffic tickets tested, neither the court administrators nor the police department personnel could locate any record of the issuance, voiding, filing, or dismissal of the tickets. In addition, for 3 of 20 traffic tickets tested, the police department's manual log and computerized system indicate the tickets had been issued; however, neither the court administrators nor the personnel from the West Plains Prosecuting Attorney's office had a record of these tickets being filed and could not



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verify the final disposition. As a result, the court and city could not account for 5 of 20 traffic tickets tested.

City of West Plains Municipal Court Operating Order Number 2, Section VII(D) requires the court administrators to work jointly with the police department to account for the numerical sequence of all traffic tickets and maintain a record of the disposition of all tickets assigned and issued by the police department. Without properly accounting for the numerical sequence and ultimate disposition of traffic tickets issued, the municipal division and the police department cannot ensure all tickets issued are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each traffic ticket to decrease the risk of loss, theft, or misuse of funds.

3.2 Parking ticket receipts

The municipal division does not maintain adequate records to account for all parking ticket payments received and deposited by the court administrators. Police department records indicate the department issued 331 parking tickets during the year ended March 31, 2014. At \$2 a ticket, \$662 should have been collected but records indicate the city only received \$325 during that period.

The police officer responsible for issuing the parking tickets is also responsible for collecting payments made at courtesy collection points. The court administrators do not issue a receipt slip to the police officer for total monies received when he transmits them to the court.

To ensure all monies received are properly recorded and deposited and to decrease the risk of loss, theft, or misuse of funds, receipt slips should be issued for all monies collected and reconciled to the deposits.

3.3 Monitoring of excess revenues

The municipal division has not provided a report of traffic violation tickets and associated fines and court costs revenues to the city for inclusion in the calculation and reporting required in the city's annual financial report filed with the State Auditor's office (SAO).

The municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected and transmitted to the city. This information is needed by the city to calculate the percent of annual general operating revenue from fines and court costs related to traffic violations, determine whether excess revenues should be distributed to the state Department of Revenue, and provide an accounting of the percent in its annual financial report as required by state law. The city's fiscal year end March 31, 2014, audited financial report was timely filed with the SAO, but did not provide an accounting of the percent of annual general operating revenue from fines and court costs related to traffic violations. With the completion of its current fiscal year (April 1, 2014,



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through March 31, 2015), the city will again be required to report the percent of annual general operating revenue from fines and court costs related to traffic violations in its annual financial report. Thus, the municipal division needs to establish procedures and records to identify applicable traffic violations and the related fines and court costs revenues to assist the city in complying with state law.

Effective August 28, 2013, Section 302.341.2, RSMo, was amended, reducing the threshold for remitting excess revenues to the state, and requiring cities to provide an accounting of the percent of annual general operating revenue from fines and court costs in its annual financial report submitted to the State Auditor's office as required by Section 105.145, RSMo. Section 302.341.2, RSMo, further provides that a city that is noncompliant with the law ". . . shall suffer immediate loss of jurisdiction of the municipal court of said city . . . on all traffic-related charges until all requirements of this section are satisfied."

Recommendations

The City of West Plains Municipal Division:

- 3.1 Work with the police department to ensure the numerical sequence and ultimate disposition of all traffic tickets are accounted for properly.
- 3.2 Issue receipt slips for all parking ticket payments received and reconcile to the deposits.
- 3.3 Develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.

Auditee's Response

The City of West Plains Municipal Division provided the following written responses:

- 3.1 *The City of West Plains Prosecuting Attorney's office and police department are currently implementing a policy wherein there can be an accounting for all Uniform Traffic Citations (UTC) from the issuance of said UTC books to the officers to the filing of the same with the court and any intervening voiding, non-filing or dismissal that may occur prior to filing of the UTC with the court.*

The procedure to track and record each ticket will occur from the time it is issued to the police officer to the time the officer returns the ticket to the police department, with a readily accessible log set up to explain, document, and record the disposition of any ticket that is not returned to the police department. Furthermore, each ticket that is returned to the police department will be tracked by an



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officer, until the ticket is given to the City Prosecutor and a readily accessible log is set up to explain, document, and record the disposition of any ticket that is not given to the City Prosecutor. Each ticket will also be tracked from the time it is delivered to the City Prosecutor until the time the ticket is filed with the Municipal Division, with a readily accessible log set up to explain, document and record the disposition of any ticket received by the City Prosecutor and not filed with the Municipal Division.

- 3.2 *The Municipal Division does not administer or otherwise prosecute parking tickets with the City of West Plains. The role that the Municipal Division has had in such tickets is the receipt of money directly from the police department and occasionally from individuals that receive parking tickets who do not wish to pay through the police department. Additionally, the Municipal Division did then deposit those funds to the City of West Plains. The Court shall no longer receive or deposit these amounts and they shall instead go directly from the police department directly to the City of West Plains as determined between the City of West Plains and the police department.*

The City Prosecutor will review the city parking ordinances for the purpose of making recommendations to the City Council to improve parking ticket accountability and payment.

- 3.3 *The Municipal Division shall deliver to the City of West Plains financial accounting department a monthly report providing a breakdown of all fines and court costs assessed (both collected and outstanding) in all matters involving "Traffic Tickets" both moving and non-moving. The City of West Plains shall then report to the Auditor of the State of Missouri the amounts assessed by the West Plains Municipal Division for "Traffic Tickets" and indicate what percentage of the city's annual general operating revenue is represented by said fines and court costs.*

Thirty-Seventh Judicial Circuit

City of West Plains Municipal Division

Organization and Statistical Information

The City of West Plains Municipal Division is in the Thirty-Seventh Judicial Circuit, which consists of Carter, Howell, Oregon, and Shannon Counties. The Honorable David Evans serves as Presiding Circuit 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 March 31, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	William T. Hass
Court Administrator	Peggy Lindberg
Court Administrator	Yavonne Richardson

Financial and Caseload Information

	Year Ended March 31, 2014
Receipts	\$276,625
Number of cases filed	2,369