



**John Watson**  
Missouri State Auditor

---

# Twenty-Fifth Judicial Circuit

## City of Dixon Municipal Division



---

April 2015  
Report No. 2015-017

---

<http://auditor.mo.gov>



**John Watson**  
Missouri State Auditor

# CITIZENS SUMMARY

---

## Findings in the audit of the Twenty-Fifth Judicial Circuit, City of Dixon Municipal Division

---

### Accounting Controls and Procedures

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and records. In addition, neither the Court Clerk nor city personnel reconcile manual receipt slips issued to receipts recorded in the computer system. The municipal division does not regularly document the reasons for and approval of waivers of amounts due, and supporting documentation for some community service transactions was inadequate. We identified problems with 6 of the 12 noncash transactions reviewed. Additionally, the Court Clerk does not always deposit bond monies or transmit fines and court costs to the City Collector timely. Police Department personnel issue generic unnumbered bond forms, and do not maintain a log to account for bond forms issued. Further, the municipal division does not maintain adequate bond records or provide reports of bond dispositions or open status to the City Clerk. As of February 2015, the municipal division had not properly disbursed bonds totaling \$16,404 collected through September 30, 2014.

---

### Municipal Division Procedures

Numerous errors contained in monthly reports of municipal division collections generated by the Court Clerk have resulted in the submission of inaccurate reports of municipal division activities to the Office of State Courts Administrator and the city. Differences between actual amounts collected and amounts reported occurred because (1) monthly reports generated include only part of each month's activities, (2) court surcharges were inaccurately programmed in the computer system, and (3) warrant fees were not recorded in the computer system. Because the city disburses Crime Victims' Compensation and Peace Officers Standards and Training surcharges to the state based on the monthly reports, the city has disbursed incorrect amounts to the state. Additionally, the municipal division increased court costs by \$3 in September 2013 without statutory authority to do so, and the court assesses a potentially improper \$50 warrant fee. Also, 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 for inclusion in the city's annual report submitted to the State Auditor's office. This information is necessary for the city to determine whether excess revenues should be distributed to the state Department of Revenue. The municipal division and the Police Department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

---

## Computer Controls

The municipal division does not periodically back up the data in the computer system and the current Court Clerk uses the same user identification and password to log onto the computer system as used by the former Court Clerk who resigned in December 2013.

In the areas audited, the overall performance of this entity was <b>Fair</b> .*
---

\*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.

**All reports are available on our Web site: [auditor.mo.gov](http://auditor.mo.gov)**

---

# Twenty-Fifth Judicial Circuit

## City of Dixon Municipal Division

### Table of Contents

---

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

---

Management Advisory	
Report - State Auditor's	1. Accounting Controls and Procedures .....4
Findings	2. Municipal Division Procedures .....8
	3. Computer Controls ..... 13

---

Organization and Statistical	15
Information	



# **JOHN WATSON**

## **Missouri State Auditor**

Presiding Judge  
Twenty-Fifth Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the Board of Aldermen  
City of Dixon, Missouri

We have audited certain operations of the City of Dixon Municipal Division of the Twenty-Fifth 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 September 30, 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.

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 court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Dixon Municipal Division of the Twenty-Fifth Judicial Circuit.

An additional report, No. 2015-007, *City of Dixon*, was issued in February 2015.

A handwritten signature in black ink, reading "John Watson". The signature is fluid and cursive, with the first name "John" and the last name "Watson" clearly distinguishable.

John Watson  
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:	Kim Spraggs, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Denise Huddleston, MBA

---

# Twenty-Fifth Judicial Circuit

## City of Dixon Municipal Division

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

---

#### **1. Accounting Controls and Procedures**

Oversight of court functions is not sufficient, reconciliations and documentation procedures are lacking, and a significant amount of bond monies has been allowed to accumulate in the city's bond account.

Municipal division fines and court costs are collected by the Court Clerk and transmitted to the City Collector for deposit into the city's general account. Bonds are collected by Police Department personnel and transmitted to the Court Clerk, and the Court Clerk deposits the monies in the city's bond account. During the year ended September 30, 2014, the municipal division collected approximately \$41,400 in fines, court costs, and bonds.

##### **1.1 Oversight**

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division is not possible because the Court Clerk is the only municipal division employee. The Court Clerk is responsible for all duties related to collecting and recording monies, posting fines and court costs into the computer system, depositing bond monies into the city's bond account, and transmitting fines and court costs to the city for deposit. The City Collector's comparison of receipt slips to deposits and transmittals excludes bond activity and voided receipt slips.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented thorough supervisory or independent reviews of accounting records.

##### **1.2 Receipt slips and reconciliations**

Neither the Court Clerk nor city personnel reconcile manual receipt slips issued to receipts recorded in the computer system.

The Court Clerk issues manual receipt slips for all monies received, prepares deposits based on manual receipt slips, and records fines and court costs in the computer system. The Court Clerk indicated she did not know how to generate a report of receipts from the computer system. In addition, we noted instances where voided receipt slips were not retained. As a result, there is no assurance the Court Clerk properly recorded all monies collected in the system and generated accurate monthly collection reports from that system for submission to the state and city.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, and ensure the accuracy of monthly collection reports, procedures should be established to account for manual receipt slips and verify receipts have been recorded in the computer system.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

### 1.3 Noncash transactions

The municipal division does not ensure noncash transactions posted to the computer system are properly documented and has not established adequate procedures for review and approval of noncash transactions by persons independent of the receipting process.

The Court Clerk makes noncash transactions to document community service performed or jail time served in lieu of fines and court costs due, and to waive fines and court costs. At our request, the Court Clerk generated reports of noncash transactions posted to the system for community service performed and jail time served. These reports indicated 17 noncash transactions totaling \$6,426 occurred during the year ended September 30, 2014. The Court Clerk was unable to produce a report of noncash transactions for waivers of fines and court costs.

The municipal division does not always document the reasons for and approval of waivers of amounts due, and supporting documentation for some community service transactions was inadequate. Municipal division personnel indicated community service performed should be supported by a timesheet signed by a designated city supervisor attesting to hours of service completed and jail time served should be supported by a judicial order on the docket sheet. However, we identified documentation problems with 6 of 12 noncash transactions reviewed and posted from May 2013 to December 2014 (3 pertained to waiver of fines and court costs and 3 pertained to community service performed or jail time served). Examples of problems identified are as follows:

- The Court Clerk posted a noncash transaction of \$322.50 in November 2013 to waive fines and court costs due from a defendant; however, she could not provide any documentation supporting this waiver. The Municipal Judge does not maintain documentation to support his periodic reviews of accounts receivable listings and his authorizations for the Court Clerk to waive amounts due.
- A noncash transaction of \$525.50 was posted to a case in September 2014 for 65 hours of community service performed; however, the supporting timesheets showed only 51 hours worked and were not signed by a city supervisor.

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.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

**1.4 Deposits and transmittals** The Court Clerk does not always deposit bond monies or transmit fines and court costs to the City Collector timely. For example, cash collected for 3 bonds received between September 9 and September 26, 2014, totaling \$1,077.50, was deposited on October 6, 2014. Cash (\$777.50) and checks and money orders (\$898.50) collected for fines and court costs between July 9 and July 30, 2014, totaling \$1,676, was transmitted to the City Collector on August 5, 2014.

Failure to implement timely depositing and transmitting of receipts procedures increases the risk of loss, theft, or misuse of monies going undetected.

**1.5 Bond forms** Police Department personnel issue generic unnumbered bond forms and do not maintain a log of bond forms issued. Since bond forms do not have a sequential number, neither the Court Clerk nor city personnel can account for the bond forms. In addition, the use of generic unnumbered bond forms decreases the ability to ensure bond receipts are adequately recorded and properly transmitted to the municipal division.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance all bond monies are accounted for properly, official prenumbered bond forms should be issued for all bonds received and all bonds collected should be recorded on a bond log.

**1.6 Bond records and procedures** The municipal division does not maintain adequate bond records and does not provide reports of bond dispositions (applied, forfeited, or refunded) or open status to the City Clerk. As a result, bonds totaling \$16,404 collected through September 30, 2014, have accumulated in the city's bond account and had not been appropriately disbursed or refunded as of February 2015.

The municipal division does not maintain a bond ledger indicating the date and amount received, related case, and bond disposition or open status. Because the Court Clerk does not provide reports of bond dispositions or open status to the City Clerk, bond monies have accumulated in the bond account and no disbursements have been made since the account was opened in August 2013. Also, open bonds have not been reconciled to the bond account balance.

We prepared a list of open bonds at September 30, 2014, and compared it to the reconciled bond account bank balance. The \$17,482 reconciled bank balance consisted of open bonds totaling \$1,078, bonds applied totaling \$15,404 that should have already been disbursed to the city when the related cases were closed, and two \$500 bonds to be refunded. The two \$500 bonds were not recorded in a bond ledger or in the related case files. When the associated cases were closed (one in February 2014 and the other in June 2014) the defendants were ordered to pay fines and court costs. Rather than



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

applying the \$500 bonds already held to amounts due, the Court Clerk collected the full amount of fines and court costs assessed from each defendant and did not refund the bond monies. The Court Clerk indicated she inadvertently collected too much money from these defendants because she did not realize bonds had been posted on these cases. After we discussed this situation with municipal division personnel, they discussed it with city officials. In February 2015, the city issued refunds to both defendants.

To ensure bond monies are accounted for and disbursed properly and timely, the Court Clerk should maintain a bond ledger and provide reports of necessary information to the City Clerk. A bond ledger is necessary to account for all bonds received, track activities of each bond, identify open bonds and bonds that need to be disbursed, and to prepare and provide reports to the city. These reports are necessary to communicate disbursements needed from the bond account, compare city bond records to municipal division records, reconcile open bonds to cash balances, detect and correct errors, and ensure sufficient cash is available for payment of all amounts due. The failure to routinely review open bonds and apply, forfeit, or refund monies when appropriate increases the volume of cases requiring monitoring and deprives the state, city, or others the use of those monies. If refunding is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

## Recommendations

### The City of Dixon Municipal Division:

- 1.1 Ensure documented thorough independent or supervisory reviews of accounting records are periodically performed.
- 1.2 Reconcile manual receipt slips issued to receipts recorded in the computer system.
- 1.3 Require an independent review and approval of all noncash transactions, and retain adequate documentation to support noncash transactions.
- 1.4 Ensure bond receipts are deposited timely and fines and court costs monies are transmitted to the City Collector timely.
- 1.5 Work with the Police Department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, and a bond log is maintained to record all bonds received.
- 1.6 Maintain a complete bond ledger to account for all bond activities, prepare and provide reports of bond activities to the City Clerk, and work with the city to ensure all bonds are accounted for and disbursed properly.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

## Auditee's Response

*The City of Dixon Municipal Division provided the following written responses:*

- 1.1 We will ensure a supervisory review is performed and documented on the last day of the month, or as soon as possible thereafter.*
- 1.2 We are in the process of developing procedures to reconcile manual receipt slips to the computer system. We will ensure all manual receipt slips are entered correctly and in a timely manner.*
- 1.3 We have developed forms to document fines and court costs waived, and community service waived. Judicial approval will be documented on these forms and on computer reports of jail time served and community service performed.*
- 1.4 We will ensure every fine(s), court cost, and cash bond is submitted to the City Collector in a timely manner. Cash bonds are now transmitted to the City Collector instead of deposited by the Court Clerk.*
- 1.5 We are working with the Police Department to ensure prenumbered bond forms are used and the numerical sequence of forms is accounted for. We have developed a bond log to record and account for all bond forms.*
- 1.6 We have developed a bond log to record and account for all bond monies received and disbursed. We are in the process of developing forms to communicate bond activity to the City Clerk to ensure all bonds are accounted for and disbursed properly.*

## 2. Municipal Division Procedures

Procedures related to monthly reports, court surcharges, court costs, warrant fees, monitoring excess revenues, and ticket accountability need improvement.

### 2.1 Monthly reports and court surcharges

The Court Clerk did not submit accurate monthly reports of municipal division collections to the state and city. As a result, municipal division activities have been incorrectly reported to the Office of State Courts Administrator (OSCA) and the city lacks the information needed to accurately track amounts collected by the municipal division and disburse court surcharges collected.

The Court Clerk generates the monthly Municipal Division Summary Reporting Form from the computer system, showing collection amounts entered into the computer system. This monthly report is submitted to the OSCA and to the City Clerk. The City Clerk utilizes the report to disburse certain court surcharges to the state.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

Our review of monthly reports generated by the Court Clerk from the computer system identified numerous errors. The Court Clerk had not adequately reviewed these reports or identified the errors. The table below presents actual amounts collected versus amounts reported on the September 2014 report:

Collections	Actual	Reported	Over/ (Under) Reported
Fines	\$ 2,624.50	2,479.50	(145.00)
Court costs	364.00	308.00	(56.00)
Court surcharges:			
Crime Victims' Compensation (CVC)	194.50	127.80	(66.70)
Peace Officers Standards and Training (POST)	26.00	18.25	(7.75)
Law Enforcement Training (LET)	52.00	36.50	(15.50)
Judicial Education (JE)	25.00	25.90	.90
Warrant fees	100.00	0.00	(100.00)
Other costs:			
Court	0.00	43.05	43.05
Jail	44.50	0.00	(44.50)
Total	\$ 3,430.50	3,039.00	(391.50)

As further explained below, differences occurred because (1) monthly reports generated include only part of each month's activities, (2) court surcharges were inaccurately programmed in the computer system, and (3) warrant fees were not recorded in the computer system.

#### Reporting period

The Court Clerk generates the monthly reports around the 15th of the month reported, instead of after the month has ended. As a result, the reports only include the activities related to the first half of the month, including activities on court day, and the activities of the second half of the month are not subsequently reported. The Court Clerk indicated she generates the reports in this manner to meet OSCA's reporting deadline of the 15th of each month; however, the deadline pertains to the 15th of the month following the month reported.

#### Court surcharges

Court surcharges totaling \$11.50 per case are not accurately allocated by the computer system due to programming errors. As a result, court surcharge amounts are incorrectly reported and disbursed.

The municipal division collects various court surcharges for each case as provided by city ordinance, including \$7.50 for CVC, \$1 for POST, and \$2 for LET. In addition, the municipal division withholds \$1 from the \$15 (\$12 prior to September 1, 2013) court cost amount for JE as authorized by Section 479.260, RSMo.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

Examples of incorrect allocations of the \$11.50 court surcharges collected in September 2014 versus the required allocation for some tickets follows:

		CVC	POST	LET	JE	Court Cost	Total
Required Allocation	\$	7.50	1.00	2.00	1.00	0.00	11.50
<u>Ticket number</u>							
50072188	\$	3.38	0.45	0.90	0.45	6.32	11.50
50072197		3.16	0.45	0.90	0.68	6.31	11.50
50072273		7.00	1.00	2.00	1.50	0.00	11.50
50072469		7.00	1.00	1.99	1.51	0.00	11.50

The Court Clerk was unable to determine why the computer system incorrectly and inconsistently allocated the court surcharges.

Warrant fees

Since the Court Clerk does not record warrant fees in the computer system, warrant fees collected are not included in the monthly reports (see section 2.3).

Conclusions

Due to inaccurate information reported on the monthly reports, municipal division activities have been incorrectly reported to the OSCA. In addition, because the city disburses CVC and POST surcharges to the state based on the monthly reports, the city has disbursed incorrect amounts to the state. For September 2014, the city made disbursements to the state based on reported CVC surcharges of \$127.80 instead of the actual amount collected of \$194.50; and reported POST surcharges of \$26 instead of the actual amount of \$18.25. Furthermore, without accurate monthly reports and allocations of costs, the city is unable to accurately track and record LET and JE surcharges, which can only be disbursed for specific purposes.

Supreme Court Operating Rules 4.28 and 4.29 and OSCA instructions require monthly reports of cases filed and fines and court costs collected to be submitted to the OSCA and the city. Reports are to be submitted by the 15th of the month following the reporting month and include all activities that have occurred since the last report. To ensure accurate information is reported to the OSCA and court surcharges collected are correctly reported to the city and disbursed to the state and/or tracked in accordance with city ordinance and state law, the municipal division should establish procedures to generate accurate monthly Municipal Division Summary Reporting Forms. Such procedures should include ensuring monthly reports include all activities of the entire month, accurately programming court surcharge allocations into the computer system, and reconciling reported amounts to municipal division records.



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

## 2.2 Court costs

The municipal division increased court costs by \$3, from \$12 to \$15, effective September 1, 2013, without statutory authority. Neither the Municipal Judge nor the Court Clerk could provide a basis for the increase. After we discussed this situation with municipal division personnel, they reduced court costs to \$12 effective January 2015.

Supreme Court Operating Rule 21.01, Section 488.012, RSMo, and city ordinances allow \$12 to be charged for court costs.

## 2.3 Warrant fees

The municipal division assesses a potentially improper \$50 warrant fee for each warrant issued for failure to pay amounts due. According to municipal division records, warrant fees collected totaled approximately \$2,000 during the year ended September 30, 2014. Per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo. There is no statutory provision that authorizes the municipal division to assess the warrant fee.

## 2.4 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 has not filed annual financial reports for its fiscal years ended September 30, 2013, and 2014, with the SAO as required by law. With the completion of its current fiscal year (October 1, 2014, through September 30, 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, as it was for the previous 2 fiscal years. 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 SAO as required by Section 105.145, RSMo. Section 302.341.2, RSMo, further provides that a city that is noncompliant with the



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

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."

## 2.5 Ticket accountability

The municipal division and the Police Department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. As tickets are issued by the Police Department, they are given to the municipal division for processing. However, there are no procedures to account for the numerical sequence of all tickets issued or to ensure all tickets issued have been provided to the municipal division. After we discussed this issue with department personnel, they reviewed tickets issued from October 1, 2012, to December 31, 2014, and indicated they accounted for all tickets issued during the period.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued are properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to decrease the risk of loss, theft, or misuse of funds.

## Recommendations

The City of Dixon Municipal Division:

- 2.1 Establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting Forms.
- 2.2 Ensure court costs are assessed as allowed by Supreme Court Operating Rules, state laws, and city ordinances.
- 2.3 Work with the city and legal counsel to reevaluate the warrant fee and the authority to assess the fee.
- 2.4 Develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.
- 2.5 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

## Auditee's Response

*The City of Dixon Municipal Division provided the following written responses:*

- 2.1 *We have worked with the software representative to ensure the correct allocation of surcharges for current and future cases. We will be working with the software representative to get the correct*



Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

*allocation on older cases. Monthly reports are now being generated to include the entire month's activity. Warrant fees are no longer assessed effective December 23, 2014.*

- 2.2 *The court cost was corrected and is in accordance with Supreme Court Operating Rules, state law, and city ordinances.*
- 2.3 *Warrant fees were discontinued effective December 23, 2014, and the court is in the process of consulting with legal counsel and city managers to have the ordinances updated.*
- 2.4 *We will ensure this is performed on a monthly basis.*
- 2.5 *We will work with the Police Department to ensure all citations are accounted for in a timely manner.*

### 3. Computer Controls

Controls over municipal division computers need improvement. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or damage.

#### 3.1 Data backup

The municipal division does not periodically back up the data in the computer system. Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure the backup process is adequate, and off-site storage would provide reasonable assurance data could be recovered if necessary.

#### 3.2 User identifications and passwords

The current Court Clerk uses the same user identification and password to log onto the computer system as used by the former Court Clerk who resigned in December 2013.

User identifications and passwords are required to authenticate access to computers. The security of user identifications and passwords are dependent upon keeping them confidential. However, since the current Court Clerk is using the former Court Clerk's user identification and password, there is less assurance the user identification and password is effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should also be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

### Recommendations

The City of Dixon Municipal Division:

- 3.1 Regularly back up computer data and ensure it is stored in a secure off-site location and its recovery is tested on a regular, predefined basis.



---

Twenty-Fifth Judicial Circuit  
City of Dixon Municipal Division  
Management Advisory Report - State Auditor's Findings

---

- 3.2 Require unique user identifications and passwords for each employee and passwords that are confidential and periodically changed to prevent unauthorized access to the municipal division's computers and data.

## Auditee's Response

*The City of Dixon Municipal Division provided the following written responses:*

- 3.1 *The city is in the process of establishing backup procedures for all city and court computers, to be implemented in the near future.*
- 3.2 *The Court Clerk is now using a unique user identification and will work with the software representative to determine how to change her password. The password will be kept confidential and changed periodically.*

---

## Twenty-Fifth Judicial Circuit

### City of Dixon Municipal Division

### Organization and Statistical Information

---

The City of Dixon Municipal Division is in the Twenty-Fifth Judicial Circuit, which consists of Maries, Phelps, Pulaski, and Texas Counties. The Honorable William E. Hickie 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 September 30, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	John Ward
Court Clerk	Kathy Smith

#### Financial and Caseload Information

	Year Ended September 30, 2014
Receipts	\$41,403
Number of cases filed	214