



Nicole R. Galloway, CPA
Missouri State Auditor

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

December 2015
Report No. 2015-135



<http://auditor.mo.gov>



Nicole R. Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Joplin Municipal Division

Accounting Controls and Procedures	Joplin's municipal division lacks proper review of its case management system to ensure that changes made by clerks in the system are necessary and appropriate. Records for noncash transactions, such as tracking community service hours and recording jail time, are not properly documented, and auditors identified numerous transactions in the case management system that were not supported by court orders. Clerks also failed to timely record and transmit some cash payments for deposit. Amounts owed to the division are not effectively monitored.
Liabilities	The division has inadequate procedures to ensure that bonds and restitution payments are handled properly and there are differences between city and division bond and restitution records. Personnel fail to routinely review open bonds, and held some that should have been paid out. The division does not properly track restitution payments, resulting in instances of untimely or inaccurate payments to victims.
User Access	The division fails to properly restrict access to its electronic data. In February 2015, 310 city and court users had access to the case management system, but 120 of those were improper. Eighty-nine users had been terminated or resigned, and 25 users were unknown to the city's human resources personnel.
Case Disposition and Warrants	The division lacks procedures to monitor court clerks' changes in the case management system. No review is conducted after clerks void cases, and some case files lack clear documentation of final outcomes. Details of cases closed and amounts written off are not retained. The division also lacks documentation showing that all warrants were authorized by the municipal judge and issued timely.
Municipal Division Controls and Procedures	The division fails to comply with state law or Joplin's city code in assessing a number of fees. For example, the division assesses a \$25 failure to appear fee without filing charges for a violation. The division does not identify traffic tickets and associated fines and costs collected or provide this information to the city. The division has also failed to properly maintain and update employment policies and has submitted inaccurate monthly reports to city and state officials.

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.

All reports are available on our Web site: auditor.mo.gov

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Table of Contents

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

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	4
2. Liabilities.....	8
3. Electronic Data Security.....	10
4. Case Disposition and Warrants	11
5. Municipal Division Controls and Procedures.....	14

Organization and Statistical	20
Information	



NICOLE R. GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Twenty-Ninth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
Joplin, Missouri

We have audited certain operations of the City of Joplin Municipal Division of the Twenty-Ninth 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 October 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 and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.

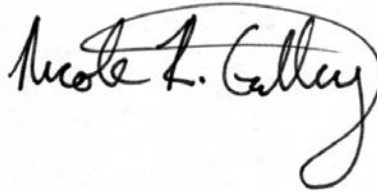
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We 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 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 Joplin Municipal Division of the Twenty-Ninth Judicial Circuit.

An additional report, No. 2015-060, *City of Joplin*, was issued in August 2015.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Natalie B. McNish, CGAP
Audit Staff:	Katelyn Crosson David E. White

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Significant improvements over accounting controls and procedures are needed. During the year ended October 31, 2014, the municipal division collected approximately \$2.29 million in fines, court costs, fees, and bonds.

1.1 Adjustments

Procedures for processing and monitoring of adjustments in the case management system need improvement. Any change made to fines, court costs, or fees after the initial recording of the violation is recorded as an adjustment, whether entered by a court clerk or generated automatically by the case management system. For example, each time a court clerk generates a warrant from the case management system the system automatically adds a warrant fee to the violation. This transaction is recorded as an adjustment in the case management system even though the system added the fee.

No procedure for reviewing adjustments has been established and division personnel cannot generate a report from the case management system differentiating adjustments made by court clerks from automatic adjustments generated by the system. In addition, the court clerks adjust amounts differently in the case management system. Some court clerks adjust only the amounts with changes. Other court clerks remove all amounts and enter new ones, whether or not change occurred for an item, to agree all fines and court costs to the municipal judges' orders.

We selected 20 defendants with 63 cases where adjustments had been processed. Transactions recorded to process these cases included a total of 242 positive and negative adjustments totaling \$31,682, recorded by the court clerks or generated automatically by the case management system. Without reviewing adjustments, the municipal division does not know if all adjustments are necessary and appropriate, and this weakness could allow errors or manipulation of fines and court costs to go undetected.

To ensure all adjustments are valid and to reduce the risk of loss, theft, or misuse of funds, a report of adjustments should be generated, someone independent of recording functions should review and approve adjustments, and procedures for consistent recording of adjustments should be established. Clearly identifying which adjustments were recorded by each court clerk and ensuring procedures to record adjustments are more consistent would allow the Court Administrator to more easily review adjustment transactions and ensure they are appropriate.

1.2 Noncash transactions

The municipal division does not ensure noncash transactions entered into the case management system are properly documented and has not established procedures for review and approval of noncash transactions by someone independent of the receipting process.



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

All court clerks have the ability to record noncash transactions in the case management system. Noncash transactions include community service performed; jail time served; and waiver of fines, court costs, and fees through a judicial order. At our request, the Court Administrator generated a report of all noncash transactions recorded in the system during the year ended October 31, 2014. The report showed 1,016 noncash transactions for community service, 1,694 noncash transactions for jail time served, and 23 noncash transactions for judicial orders. These noncash transactions totaled \$367,450, \$182,365, and \$1,319, respectively.

Noncash transactions totaling \$2,828 for 7 of the 20 defendants reviewed were not supported by a record of the jail time served or a report of hours of service from a community service organization; and noncash waiver transactions totaling \$3,810 for 6 of the remaining 13 defendants reviewed were not supported by judicial orders. Noncash transactions should be supported by a documented record of jail time served signed by a jailer, a report of hours of service from a community service organization attesting to the days spent or hours worked for credit, or a judicial order, as applicable. In addition, the municipal division failed to timely record jail time or community service credit earned by 8 of the 20 defendants reviewed. Credit earned for 7 of these 8 defendants was recorded in the case management system 13 to 40 days after credit was earned, and credit earned in February 2014 had not been recorded as of May 2015 for the other defendant.

Unsupported noncash transactions increase the risk of loss, theft, or misuse of funds. In addition, failure to timely record transactions results in inaccurate accounting records and could increase the risk of overcharging a defendant. 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.

1.3 Recording, endorsing and transmitting procedures

Recording, endorsing, and transmitting procedures need significant improvement. Municipal division fines, court costs, and fees are collected by court clerks and transmitted to the city's Finance Department for deposit into the city's pooled cash bank account. Bonds are collected by Police Department personnel and transmitted to the municipal division for recording. Bond monies are also transmitted to the city's Finance Department for deposit into the city's pooled cash bank account.

- Court clerks do not always record monies received in the case management system or restrictively endorse checks and money orders immediately upon receipt. Monies received with plea bargain agreements pending approval by the municipal judge, advance payments, and some bonds are held until the corresponding ticket has



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

been entered into the case management system. In addition, the municipal division does not always transmit receipts to the city intact or timely. Receipts are only included in daily transmittals after being recorded in the case management system. Unrecorded monies totaling \$9,502 counted during a February 24, 2015, cash count were held in a safe and 28 of the 29 checks and money orders on hand were not endorsed. One unendorsed \$226 check, dated January 27, 2015, was held for 36 days and processed on March 4, 2015, although the municipal judge approved the plea bargain on February 5, 2015.

- The municipal division does not adequately review city provided documentation to ensure bond and restitution liabilities are properly recorded in the city's accounting system. As a result, errors in the city's municipal division liability accounts were not identified timely. For example, the municipal division applied a \$1,968 bond to fines, court costs, and fees owed by a defendant and reported this transaction to the city in a daily transmittal report. However, this transaction was not recorded by the city, causing the bond liability account to be overstated.

Failure to implement adequate recording, endorsing, and transmitting procedures increases the risk that loss, theft, or misuse of funds will go undetected.

1.4 Accrued costs

Municipal division personnel do not adequately monitor accrued costs owed to the municipal division, including fines, court costs, fees, and court-ordered restitution.

The Court Administrator generates various reports annually to identify cases that are potentially uncollectible. However, the reports the Court Administrator relies upon are incomplete and he was not aware the case management system tracks accrued costs and could produce a complete report of balances due. At our request, the Court Administrator ran a report of accrued costs, and as of May 5, 2015, the report showed there were 12,232 tickets with accrued costs totaling approximately \$6 million.

We selected 25 defendants with a total of 57 cases for review. Accrued cost balances for 13 cases reviewed were overstated by \$2,540. Reasons for overstatements include not recording various dismissals in the case management system, not removing failure to appear fees after a warrant is issued, and not recording noncash transactions. Also, accrued costs balances for 4 cases were understated by \$103 because the court clerks did not record case costs due for each violation. In addition, as a result of not reviewing accrued costs, the municipal division failed to recognize that 12 cases did not have a current court date entered into the case management system and therefore, the cases were not included on a current docket.



Proper and timely monitoring of accrued costs 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 judges and determine appropriate handling if amounts are deemed uncollectible.

Recommendations

The City of Joplin Municipal Division:

- 1.1 Establish procedures for the consistent application of adjustments and ensure an independent review and approval of adjustments is performed and documented.
- 1.2 Require an independent review and approval of all noncash transactions, retain adequate documentation to support noncash transactions, and ensure transactions are recorded timely.
- 1.3 Record receipts in the case management system timely, endorse checks and money orders immediately upon receipt, and transmit all monies intact and timely. In addition, the municipal division should ensure receipts are properly recorded in the city's accounting system.
- 1.4 Establish procedures to review accrued costs for accuracy and properly follow up on amounts due.

Auditee's Response

- 1.1 *Consistent application of adjustments has been established. The court will develop procedures to ensure independent reviews and approvals of adjustments, as well as ensuring all necessary accompanying documentation is maintained.*
- 1.2 *The court will develop independent review and approval of all noncash transactions. Adequate documentation of noncash transactions can be retained. When possible, the court will ensure the timely recording of transactions.*
- 1.3 *The court will work towards a more immediate endorsing, recording, receipting, and transmitting process - including possibly closing a pay window and having a clerk handle immediate recording/receipting. The court has implemented the process of reviewing daily receipts from the city's Finance Department to ensure that court receipts are properly recorded in the city's accounting system.*
- 1.4 *The court will establish procedures to review accrued costs. Using the report identified during the audit, the court will review each case for proper handling and accuracy.*



2. Liabilities

The municipal division's procedures related to identifying, reconciling, and monitoring liabilities need improvement.

2.1 Reconciliations

Reconciliation procedures for bonds and restitution are not adequate and some differences between city records and municipal division records remain unresolved. Bond and restitution monies are transmitted to the city, along with fines, fees, and court costs. The city records all monies into the city's accounting system and deposits all monies, regardless of type, into the city's pooled cash bank account.

Bond liabilities

Each month a Senior Accountant in the city's Finance Department compares a municipal division case management system report of total bonds held to the balance of the city's bond liability account. The accountant adjusts for any differences without investigation and without communication to the municipal division. During the year ended October 31, 2014, the city made 7 positive and negative adjustments to the bond liability account totaling \$10,882.

Restitution liabilities

The municipal division case management system does not generate a report of restitution held. Therefore, each month a Senior Accountant in the city's Finance Department prepares a spreadsheet of restitution transactions and compares the balance of this spreadsheet to the restitution liability account. Any significant difference is investigated. However, the spreadsheet prepared by the city is not accurate and therefore, the reconciliations are also not accurate.

We selected 3 cases from the October 31, 2014, spreadsheet prepared by the city's Finance Department and attempted to agree restitution held to case file information. For 2 of these cases, no documentation could be located by the municipal division personnel because division records did not have a defendant, petitioner, or victim with the name documented on the city's spreadsheet. In another case, the amount of restitution held according to the city's spreadsheet was overstated by \$2,380. According to city and municipal division personnel, this discrepancy was created by an inappropriate adjustment in a prior period.

Conclusion

Liabilities should be identified monthly and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly handled.

2.2 Review of open bonds

The municipal division has not established procedures to review the status of open bonds held, ensure monies are disbursed timely, and ensure amounts listed as liabilities are accurate. As of January 31, 2015, the city had outstanding bond liabilities totaling \$54,404 on 121 cases. The Court



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

Administrator indicated a report of open bonds held is printed at the end of each month, but it is not reviewed.

We reviewed documentation for 24 cases with bonds totaling \$12,000 from the January 31, 2015, open bonds report and determined bonds held for 6 cases totaling \$3,500 should have been disbursed and bonds held for 5 cases totaling \$2,750 should be reviewed for bond forfeiture. For 1 case, a bond of \$500 was refunded in accordance with the court order; however, municipal division personnel failed to record the refund transaction in the case management system.

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.

2.3 Restitution

The municipal division has not established adequate procedures to properly track, monitor, and disburse court-ordered restitution. During the year ended October 31, 2014, the municipal division collected approximately \$30,000 in court-ordered restitution.

The court clerks record all payments received in the case management system; however, the system does not alert municipal division personnel when restitution payments received should be disbursed. In our review of cases with restitution, we noted 4 instances where distribution of restitution was not completed timely. In addition, we noted fines totaling \$200 were mistakenly distributed to a victim as restitution, although no restitution was included in the final disposition. In another case, restitution totaling \$130 was distributed to a victim although only \$70 in restitution had been collected.

Adequate procedures for tracking court-ordered restitution are necessary to facilitate monitoring amounts due, provide information to the court, and improve accountability.

Recommendations

The City of Joplin Municipal Division:

- 2.1 Work with the city Finance Department to ensure liabilities are properly accounted for and reconciliations and adjustments to liability accounts are reviewed by municipal division personnel. Unidentified differences should be promptly investigated and resolved.
- 2.2 Routinely review the list of open bonds and disburse or dispose of monies as appropriate.



Auditee's Response

2.3 Develop procedures and records to adequately track court-ordered restitution and establish procedures to ensure restitution is accurately and timely disbursed.

2.1 *The Finance Department has instituted new processes to reconcile the court liability accounts. This process includes a monthly review by the court, including any unidentified discrepancies.*

2.2 *The court will implement new policies and procedures for reviewing the open bond report each month and will ensure bonds are disbursed or disposed of properly.*

2.3 *Restitution payments are now dispersed as payments are received. The Finance Department has instituted new processes to properly reconcile the court liability accounts, including restitution. The Finance Department, on a monthly basis, will share the restitution report with the court, as well as notify the court of discrepancies within the report. All discrepancies from the report will be reviewed and reconciled by the court. The court will also implement new policies and procedures to properly and routinely track restitution, as well as requiring all restitution requests to be submitted to Finance within 24 hours of payment. All issues noted will be reported to the Finance Department.*

3. Electronic Data Security

User access to the municipal division's electronic data was not properly restricted. We identified problems with both the case management and cash handling modules of the court's case management system. In addition to court personnel, users include various city personnel (finance department, police department, health department, prosecuting attorney's office, etc.).

As of February 9, 2015, 310 active user identifications could view and/or change municipal division data in the case management module. Of the 310 users, 120 users should not have had access; including 89 users who were no longer employed by the city or municipal division and 25 users who could not be identified when city human resources personnel reviewed the list of active users. One user had not been employed by the city since 2001. In addition, 178 users had more access than necessary based on their job responsibilities, and 9 users had more than 1 active user identification.

Of the 10 user identifications issued for the cash handling module, 1 user was no longer employed by the municipal division, 1 user had more access than necessary based on job responsibilities, and 2 users had more than 1 user identification.

To prevent unauthorized changes to ticket, receipt, and case information and inappropriate access to personal data, access should be limited based on



current user needs. Periodic reviews of user access rights ensures the right type and level of access has been provided. Without a review of user access rights, there is an increased risk access rights are not aligned with current job responsibilities.

Recommendation

The City of Joplin Municipal Division review user access to data and other information resources to ensure access rights are commensurate with current user job responsibilities. The municipal division should also work with the city to ensure changes in the status of city employees are communicated timely so the municipal division can make necessary system access changes.

Auditee's Response

A review of user access has taken place. With the assistance of the court's case management system provider, user access was terminated where applicable and the necessary restrictions have been put in place for users commensurate to their current job responsibilities. The City of Joplin has a notification system in place that alerts the court of the changing employment statuses of city employees. When received, the employee's status is changed or deactivated. The multiple access rights for court employees stems from cross training and the need to have a backup worker in many, if not all positions. However, those that have been identified as not likely to perform a backup role have had the unnecessary access rights eliminated.

4. Case Disposition and Warrants

Case dispositions and warrants are not always properly documented, approved, reviewed, issued, or recorded.

4.1 Voided cases

No independent review or approval of cases voided by court clerks is completed. Cases are voided by court clerks when police officers notify the municipal division a ticket should be voided, or when a case is established in error by a clerk. All clerks have the ability to void a case, no prior approval is required to void a case, and no subsequent review of voided cases is performed. During the year ended October 31, 2014, clerks closed 1,210 cases by voiding them.

To reduce the risk of loss and theft, the ability to void cases should be limited to those with no access to cash receipts and someone independent of case processing should review voided cases.

4.2 Final disposition

Final disposition is not always clearly documented in case files, signed by the municipal judge, or recorded into the case management system timely, and docket sheets are not always maintained as required.

Missouri Supreme Court Operating Rule 4 requires municipal divisions to maintain a docket sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant



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

information, and disposition of the case. Accurate and timely recording of the case information is necessary to ensure all fines and court costs have been properly collected and deposited. In addition, to ensure the recorded disposition of all cases is proper, the municipal judge should sign the docket sheet to indicate approval of the recorded disposition.

4.3 Dismissed cases

Documentation of dismissed cases is not always maintained or adequately approved. We reviewed 20 cases dismissed by the municipal judge or Prosecuting Attorney, and determined the municipal division had no dismissal documentation for 3 cases. Also, for 6 of the 17 cases with documentation, the dismissal documentation was not signed by the municipal judge or Prosecuting Attorney, or a clerk applied the Prosecuting Attorney's signature stamp without noting who used the stamp or the Prosecuting Attorney did not subsequently review usage of the stamp. There were 5,904 cases dismissed during the year ended October 31, 2014.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to ensure dismissals are approved and signed by the municipal judge or Prosecuting Attorney, as appropriate, and the Prosecuting Attorney should document his review of the use of the signature stamp.

4.4 Write-off documentation

The municipal division did not maintain documentation for cases closed and amounts written off. Each year, the Court Administrator reviews cases for possible closure, and a report is generated of cases that should be closed. This detailed report, along with an administrative order is prepared for the municipal judge's review. Upon documented judicial approval, the municipal division closes the cases identified on the detailed report. After this process is completed, the clerks dispose of the detailed report and retain the administrative order that states only the number of cases closed, but does not uniquely identify those cases. During the year ended October 31, 2014, court personnel closed 268 cases and wrote off the related fines and court costs for those cases.

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

4.5 Warrants

The municipal division could not provide documentation showing the municipal judge authorized some warrants as required and some warrants were not issued timely. The municipal division issues warrants for defendants that miss court appearances or do not pay their fine. The warrants are issued by various municipal division employees and a facsimile stamp of the Municipal Judge's signature is applied. During the year ended October 31, 2014, the municipal division issued 11,585 warrants.



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

In addition, we noted the municipal division does not always issue warrants timely. For example, the Municipal Judge ordered a warrant on December 16, 2014, but the warrant was not issued until March 5, 2015. Similarly, a warrant ordered on November 10, 2014, had not been issued at the time of our review in May 2015.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the municipal judge should sign warrants or provide specific written authorization for the court clerks to sign warrants. In addition, warrants should be issued timely to ensure outstanding court appearances and fines are addressed.

Recommendations

The City of Joplin Municipal Division:

- 4.1 Restrict the ability to void cases, require documented approval, and establish procedures for subsequent review of voided cases.
- 4.2 Ensure the disposition of all cases are documented in the case file and timely recorded in the case management system.
- 4.3 Require documented review and approval of all dismissed cases and require user of signature stamp to initial the stamp, and establish procedures for subsequent review and approval of stamped documents.
- 4.4 Ensure necessary records are appropriately retained.
- 4.5 Ensure warrants are signed by a municipal judge or by the Court Clerk only when directed by the municipal judge for a specific warrant, and ensure warrants are issued timely.

Auditee's Response

- 4.1 *The court is made aware of all voided tickets via email from officers and others who issue tickets. The voided tickets are matched with the confirming emails, date/signature stamped and stored. The date/signature stamp is exclusive to Court Administrator use only, upon final review of all voided tickets. The court will restrict the authority to void cases. The court will establish policies and procedures to address the handling of voided cases, including the proper separation of duties for approval, voiding cases, and the subsequent review of all voided cases.*
- 4.2 *The court will examine the use and maintenance of the attached docket sheets for the judges recording of information for all cases. Judges signatures for these sheets will be a part of that endeavor.*



Current caseloads are not conducive to immediate entry of all case information from the day's docket. However, the court will continue to work towards accurate and timely recording of case information, as recommended. A procedure for review of dismissals will be implemented to help ensure proper signatures are in place.

4.3 *The court will ensure documentation is maintained for all dismissals and will examine the use of a printed report to review all dismissed cases, looking for proper documentation from the judge and/or Prosecuting Attorney. The Prosecuting Attorney has begun to monitor the approval process in her office concerning dismissals. The court now requires the use of clerk initials when the judge's stamp is used, per Administrative Order. Procedures for reviewing and approving stamped documents will be developed.*

4.4 *The court now attaches and properly retains the printed detailed lists of case information applicable to the corresponding Administrative Order which authorizes the closing of aged cases with judicial approval.*

4.5 *An Administrative Order is in place allowing the court clerk to use the judge's stamp for the issuing of all warrant types. The same order requires clerks to add their initials by the judge's stamp. The court, along with the judges, will examine separating case files at the bench that need immediate attention, in reference to the issuing of warrants; for timely compliance with the judge's order for issuing a warrant.*

5. Municipal Division Controls and Procedures

Controls and procedures related to fees, monitoring excess revenues, policies and procedures, and monthly reports need improvement.

5.1 Fees

The municipal division failed to assess some fees in accordance with city code and state law and did not have support for recoupment fees charged. The City of Joplin is organized as a charter form of government, which allows for the imposition of fees by ordinance if not specifically prohibited by state law.

Failure to appear fees

The municipal division assesses a potentially improper \$25 failure to appear fee. The municipal division adds the fee and sets a new court date the first time a defendant fails to appear at a scheduled court date, but does not charge the defendant with "failure to appear." If the defendant fails to appear at the rescheduled court date, the fee is removed and the defendant is charged with "failure to appear." According to municipal division records,



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

failure to appear fees collected totaled approximately \$30,500 during the year ended October 31, 2014.

Section 544.665, RSMo, states any defendant who fails to appear as required shall be guilty of the crime of failure to appear. This statute allows a judge to add a failure to appear charge to the case and assess fines and costs to be paid as ordered; however, this statute does not allow the imposition of a fee without the addition of a charge.

Warrant, probation, arrest,
and booking fees

The warrant, probation, arrest, and booking fees assessed by the municipal division do not comply with state law or city code.

- The municipal division assesses a \$50 fee at the issuance of each warrant, rather than the allowed \$25 fee. During the year ended October 31, 2014, the municipal division collected \$167,470 in warrant issuance fees. Section 42-35(f) of the city code requires assessment of a warrant issuance fee of \$25 against any person whose failure to appear in court as ordered necessitates the issuance of a warrant.
- The municipal division assesses a one-time probation fee of \$50 to each defendant who is placed on probation for all charges/cases with outstanding fines and court costs, rather than assessing a monthly fee in accordance with state statute and city code. During the year ended October 31, 2014, the municipal division collected \$77,091 in probation fees. Section 42-39(b) of the city code, requires defendants placed on probation to contribute \$50 per month to pay the cost of probation services provided. Section 559.604, RSMo, states a person placed on probation shall contribute not less than \$30 or more than \$50 per month to pay the cost of probation services.
- The municipal division assesses a \$20 booking fee anytime a defendant is booked into jail regardless of whether the defendant has pled guilty, or has been found guilty by the court. During the year ended October 31, 2014, the municipal division collected \$32,101 in booking fees. Section 42-35 (i) of the city code requires "a plea of guilty or a finding of guilt for each offense" before a booking fee can be assessed. Section 221.070, RSMo, states a defendant shall bear the expense of his or her support while in jail upon a plea of guilty or finding of guilt for each offense.
- The municipal division does not assess a \$50 arrest fee in accordance with city code against any person who is physically arrested pursuant to a warrant. Section 42-35 (g) of the city code requires a \$50 fee be assessed against anyone who is arrested.



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

Electronic monitoring, work
release fees

The municipal division assesses some fees without the support of an ordinance. The municipal division assesses a \$50 fee plus \$9 per day when a defendant is ordered to serve his/her sentence with electronic monitoring and assesses a \$25 fee plus \$7 per day when a defendant is allowed work release while sentenced to serve time in jail. According to municipal division records, electronic monitoring fees collected totaled approximately \$2,600, and work release fees collected totaled approximately \$600, during the year ended October 31, 2014.

Per Section 557.011.6, RSMo, a defendant shall be charged costs associated with electronic monitoring. Per Section 221.070, RSMo, a defendant shall bear the expense of his or her support while in jail. Per Section 479.260, RSMo, a municipality may by ordinance provide for court fees pursuant to sections 488.010 to 488.020, RSMo.

Recoupment fee

The municipal division assesses a recoupment fee that has not been formally established by the police department as required by ordinance. The municipal division assesses a fee of \$75 to recoup expenses related to the processing and officer time involved with certain alcohol and drug related offenses. According to municipal division records, recoupment fees collected totaled approximately \$28,000 during the year ended October 31, 2014.

Per Section 488.5334, RSMo, upon a plea or finding of guilt in specific alcohol or drug-related traffic offenses, the court may impose additional penalties to reimburse local law enforcement for the costs associated with the arrest. Per Section 42-36 of the city code, a schedule of costs shall be established by the city police department for the reimbursement of costs allowed under Section 488.5334, RSMo.

5.2 Monitoring of excess
revenues

As noted in our Report No. 2015-060, *City of Joplin*, the municipal division does not have procedures in place to identify traffic violation tickets and the associated fines and court costs collected. This information is needed to accurately calculate the percent of annual general operating revenue from fines and court costs related to traffic violations.

The city's fiscal year end October 31, 2014, and 2013, audited financial reports were timely filed with the State Auditor's Office, and included an accounting of the percent. However, our review determined the reported percentages were not accurate because they included both traffic and general ordinance violations.

Section 302.341.2, RSMo, effective August 28, 2013 to August 27, 2015, was applicable for the scope of this audit and required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations (excess revenue calculation) in annual



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

financial reports submitted to the SAO (as required by Section 105.145, RSMo). Prior to August 28, 2015, a city that was noncompliant with the law was subject to immediate loss of jurisdiction of the city's municipal court on all traffic-related charges until all requirements of the section were satisfied.

During the 2015 legislative session the General Assembly passed and the Governor signed into law Senate Bill No. 5 (SB 5), which became effective August 28, 2015. SB 5, among other things, moved the excess revenue requirements to Section 479.359, RSMo, and established sanctions for failure to file annual excess revenue information with the SAO, including authorizing the Department of Revenue to redirect certain revenues due to the city and possible loss of municipal court jurisdiction until such filings are made.

Due to the impact of SB 5 on operations of the municipal division as well as the city's reporting requirements, it is important the municipal division work with the city to implement policies and procedures to ensure future compliance with state law.

5.3 Policies and procedures

Formal policies and procedures established by the municipal division are not properly maintained, updated, communicated to employees, or consistent with current procedures. This weakness has contributed to some of the inconsistencies and errors noted throughout this report. Not maintaining or communicating complete, accurate, and up-to-date guidance results in inconsistently processed cases and makes supervisory review difficult, which could allow errors to go undetected.

5.4 Monthly reports

The municipal division did not submit accurate reports of municipal division collections or cases filed 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 monitor municipal division activity.

The Court Administrator generates the monthly Municipal Division Reporting Form from the case management system and submits it to the OSCA. The Court Administrator also generates a monthly Municipal Court Report from the case management system and submits it to the City Clerk. Our review determined these 2 reports were incomplete and did not match. For example, the OSCA report showed 1,386 case dispositions in January 2015, while the city report showed 2,064 case dispositions for the same period. The difference occurred because the case management system report logic did not include cases disposed through declined prosecution, closed by suspended imposition of sentence or after suspension, dismissed due to lack of witness, referred to county, or voided on the OSCA report.



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

In addition, monies collected for alcohol and drug-related traffic offense cost recoupment, jail booking fees, overpayments of fines, jail electronic monitoring fees, some domestic violence fees, jail administration fees, and insufficient funds charges are not reported to the OSCA. During the year ended October 31, 2014, the municipal division collected approximately \$69,000 for these fees.

Also, the report filed with the city does not comply with state law. The report does not include the name of the defendant, the fine imposed, if any, the amount of costs, the names of defendants committed, and the cases with an application for trial de novo, as required by state law.

Supreme Court Operating Rules 4.28 and OSCA instructions require monthly reports of cases filed and fines and court costs collected to be submitted to the OSCA. Reports are to include all activities that have occurred since the last report. Section 479.080.3, RSMo, and Supreme Court Rule 4.29 require the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines, court costs, and fees imposed, to be verified by the Court Clerk or the municipal judge and filed with the city.

Recommendations

The City of Joplin Municipal Division:

- 5.1 Work with the city and legal counsel to review the assessment of various fees and to ensure all fees are adequately supported and assessed in accordance with city ordinance and state law.
- 5.2 Develop procedures and records to identify applicable traffic violations and the associated fines and court costs revenues and provide this information to the city.
- 5.3 Update and ensure necessary policies and procedures are maintained and properly communicated to employees.
- 5.4 Establish procedures to ensure the accuracy of monthly reports submitted to the OSCA and the city.

Auditee's Response

- 5.1 *The court and judge will work with the legal department to ensure all court fees are adequately supported and assessed by city ordinance and state law. Specific review of city code sections 42.35 & 39 will take place to ensure compliance with Section 544.665, RSMo. Ordinance 2015-113 implemented appropriate fees for work release and probation fees. All fees, including the jail booking fee, are examined for adjustment at the sentencing phase. The court will ensure the jail booking fee is added during the sentencing phase only. Recoupment documentation previously existed with the Joplin*



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

Police Department, and has been recently revised. The court now has the reestablished recoupment documentation from the Joplin Police Department.

- 5.2 *The city has been calculating the percent of annual general operating revenue from fines and costs related to traffic violations and general ordinance violations. At 5 percent, the city was well below the previous statute parameter of 30 percent when including both violation types. By only including traffic violations, the city's percentage will decrease, which will still be well below the new state requirement of 20 percent. However, the court fully intends to comply with state statute. The provider of the court's case management system has ensured that a specific report is available to run the applicable information needed for the report on limitations against the general revenues of the city. A sample report was run by the court to verify the report and a copy of the report will be provided to the city as needed.*
- 5.3 *The court previously disseminated new information and updates through office memos. The court will improve the procedure of updating, maintaining, and disseminating all policies and procedures. The court is currently exploring the implementation of an electronic program that will allow for the regular maintenance and dissemination of court policy to all employees, subject to budgetary limitations.*
- 5.4 *The court has and will continue to work with our case management software provider and the OSCA to ensure the accuracy of the monthly reports being submitted to the OSCA and the City of Joplin.*

Twenty-Ninth Judicial Circuit

City of Joplin Municipal Division

Organization and Statistical Information

The City of Joplin Municipal Division is in the Twenty-Ninth Judicial Circuit, which consists of Jasper County. The Honorable David C. Dally 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 October 31, 2014, the municipal division employees were as follows:

Title	Name
Municipal Judge	Chuck Brown
Associate Municipal Judge	John Podleski
Court Administrator	Lamonte Ratcliff

In addition to the individuals listed in the table, the municipal division employed 8 full-time employees and 1 part-time employee on October 31, 2014.

Financial and Caseload Information

	Year Ended October 31, 2014
Receipts	\$2,291,125
Number of violations filed	28,939

Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stop data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report, which can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2014agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the City of Joplin Police Department. In addition, see information at: <https://ago.mo.gov/home/vehicle-stops-report/2014-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.



Twenty-Ninth Judicial Circuit
 City of Joplin Municipal Division
 Organization and Statistical Information

Racial Profiling Data/2014 - Joplin Police Department - Population 39,905¹

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	27609	25358	1540	541	109	43	18
Searches	2527	2219	245	59	2	2	0
Arrests	5648	5081	443	120	2	2	0
Statewide Population	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population	N/A	87.74	3.20	3.49	1.71	1.62	2.24
Disparity Index ²	N/A	1.05	1.74	0.56	0.23	0.10	0.03
Search Rate ³	9.15	8.75	15.91	10.91	1.83	4.65	0.00
Contraband hit rate ⁴	28.14	27.72	32.24	22.03	100.00	100.00	0.00
Arrest rate ⁵	20.46	20.04	28.77	22.18	1.83	4.65	0.00

¹ Population figures are from the 2010 Census for persons 16 years of age and older who designated a single race. Hispanics may be of any race. "Other" includes persons of mixed race and unknown race.

² Disparity index = (proportion of stops / proportion of population). A value of 1 represents no disparity; values greater than 1 indicate over-representation, values less than 1 indicate under-representation.

³ Search rate = (searches / stops) X 100

⁴ Contraband hit rate = (searches with contraband found / total searches) X 100

⁵ Arrest rate = (arrests / stops) X 100