



Office of Missouri State Auditor  
**Nicole Galloway, CPA**

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**Twenty-First Judicial Circuit  
City of Wellston  
Municipal Division**



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Wellston Municipal Division

<p><b>Bond Procedures</b></p>	<p>Monies totaling \$1,232 for bonds were not transmitted to the municipal division from the former police department and, as a result, may be missing. Auditors were also unable to determine whether some bond receipts recorded as paid by credit card totaling \$3,398 were deposited into city accounts because the former police department and current police cooperative did not always properly record the method of payment. In addition, municipal division procedures for identifying, reconciling, and monitoring bond liabilities need significant improvement, and there is an apparent significant shortage in the bond account. Also, the municipal division does not review the status of open bonds held and some bond monies are not properly restricted.</p>
<p><b>Accounting Controls and Procedures</b></p>	<p>Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of court accounting functions and records. Receipts were not transmitted intact or timely to the city for deposit, receipts were entered in the case management system in the wrong amounts, and refunds were not issued for overpayments. The city also did not require adequate detail from a vendor to ensure the city received all monies due, and the city and vendor did not comply with state policies governing the use of speed cameras on state highways. City officials did not disburse amounts collected for certain court surcharges monthly, and the Court Clerk did not accurately report the amounts of some surcharges collected to the city, resulting in underpayments to the state of approximately \$2,250 for certain surcharges.</p>
<p><b>Municipal Division Procedures</b></p>	<p>The Court Clerk does not periodically review accrued costs owed to the municipal division. The municipal division has not taken timely or appropriate actions to implement a court order issued by the Municipal Judge in 2015 and, as a result, the division's caseload remains very high, the city is not able to collect monies owed timely, and the judge's intent to change court practices in response to Senate Bill 5 (effective August 28, 2015) has not been met. The municipal division regularly collects court costs, fees, and surcharges on dismissed cases, in violation of state law. There is little assurance certain court surcharges were properly authorized and used in accordance with state law. The former police department and the municipal division did not adequately account for the numerical sequence or ultimate disposition of all traffic tickets issued, and the municipal division and policing cooperative have not established current procedures to ensure ticket accountability. Court records are not maintained in an accurate, complete, and organized manner. The Municipal Judge does not approve the final disposition of cases, the Prosecuting Attorney does not sign tickets, and the municipal division does not always assess fines and court costs in accordance with the violation bureau schedule.</p>
<p><b>Monitoring of Excess Revenues</b></p>	<p>The Municipal Division does not have procedures in place to identify minor traffic violation tickets and the associated fines and court costs collected. In addition, the city's procedures to calculate whether excess revenues are due to the Department of Revenue are not adequate to ensure compliance with state law. The city's calculation for the year ended June 30, 2015, was inaccurate, using a misstated total general operating revenue amount.</p>

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## Records and Reporting

The former city police department did not submit annual vehicle stops data to the Attorney General's Office as required by state law. In addition, monthly reports submitted to the Office of the State Courts Administrator were not complete and accurate, the Court Clerk did not file a monthly report of cases heard with the city, and the municipal division could not locate some case records.

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

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Twenty-First Judicial Circuit

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## **NICOLE GALLOWAY, CPA** **Missouri State Auditor**

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

We have audited certain operations of the City of Wellston Municipal Division of the Twenty-First Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. 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.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

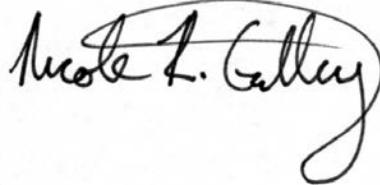
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that 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, (3) noncompliance with court rules, and (4) noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Wellston Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Wellston, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

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:

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# Twenty-First Judicial Circuit

## City of Wellston Municipal Division

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

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#### **1. Bond Procedures**

Monies totaling \$1,232 for bonds were not transmitted to the municipal division from the former police department and, as a result, may be missing. Also, we were unable to determine whether some bond receipts recorded as paid by credit card totaling \$3,398 were deposited into city accounts because the former police department and current police cooperative did not always properly record the method of payment. Further, municipal division procedures for identifying, reconciling, and monitoring bond liabilities need improvement, and some bond monies are not properly restricted. For the year ended June 30, 2015, bonds receipted and subsequently deposited into city accounts totaled approximately \$115,000.

Until disbanded in June 2015, the police department collected bonds and transmitted them to the municipal division. After disbanding the department, the city entered into a contract with the North County Police Cooperative to provide police services. The policing cooperative now operates in the City of Wellston as a precinct station of the cooperative with certain officers assigned to Wellston. The cooperative continues to follow the same bond procedures.

When a cash bond is posted, a police officer records the payment on a prenumbered bond form and on a manual bond log. A copy of the bond form and the payment are sealed in an envelope, placed in a locked drop box, and subsequently transmitted to the municipal division. When the drop box is opened by the Court Clerk, a police officer prepares a transmittal sheet which lists the total money order, cash, and credit card receipts transmitted to the municipal division. The Court Clerk then posts the bonds to the case management system and transmits the monies to the City Bookkeeper for deposit. Bonds paid by credit card are deposited electronically into the fines and fees account, instead of the bond account.

#### **1.1 Bond receipts, transmittals, and deposits**

We reviewed all bond activity recorded in the police department's manual bond log and deposits of bond monies into the city's bond account and fines and fees account during the year ended June 30, 2015. We identified various problems when comparing bond amounts receipted, transmitted, and deposited and when comparing amounts recorded in manual records to amounts recorded in the case management system.

- Recorded cash bond receipts totaling \$1,232 were receipted by the police department but apparently not transmitted to the municipal division. Also, we were unable to determine whether some bond receipts recorded as paid by credit card totaling \$3,398 were deposited into city accounts. These discrepancies may have resulted from the police department's and police cooperative's failure to accurately record the method of payment for bonds on the bond form and bond log.



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Based on our review of the police department's manual bond log, we determined \$120,033 was received by the police department, but only \$115,403 was transmitted by the Court Clerk for deposit or deposited electronically by a third party credit card processor, a difference of \$4,630. The amount reported as transmitted by the police department to the municipal division of \$118,801 is \$1,232 less than the amount received in the bond log.

- Bonds paid by credit card are deposited in the city's fines and fees account instead of the bond account. Generally, the municipal division did not maintain copies of receipt slips for these transactions attached to the bond form. There is a high volume of credit card activity in the fines and fees account and the municipal division does not have adequate procedures to maintain credit card receipts with the related case files. As a result, we could not determine if a bond was paid by credit card unless that was noted on the bond log or the bond form and the amount and date corresponded to an electronic deposit in the city's fines and fees account.

For example, for bonds collected in December 2014 the monthly transmittal sheet prepared by the police department and submitted to the municipal division indicates \$1,140 was collected in bond monies by credit card; however, we could only clearly identify bond credit card receipts of \$670. We identified similar differences in bond collections for November 2014, January 2015, February 2015, and June 2015. As a result, we could not account for \$3,398 in bond monies that may have been deposited, but sufficient records are not available.

- The Court Clerk did not record some bonds in the case management system and did not record some bonds in the correct amount. We traced each bond recorded on the police department's bond log to the case management system, and determined 5 bonds totaling \$860 were not posted to the case management system. We also determined 7 bonds were recorded in the case management system at a different amount than recorded in the bond log, with 2 recorded at a total of \$180 greater than the bond log, and 5 recorded at a total of \$132 less than the bond log. In addition, 1 bond totaling \$250 was not recorded in the bond log but was recorded in the case management system. The Court Clerk was not able to provide an explanation for these discrepancies.

In addition, we identified numerous procedural problems. There is no review or comparison between bond records, case management system entries, and deposits, and there are no procedures to account for the numerical sequence of prenumbered bond forms. Without such procedures, there is no assurance all monies receipted are transmitted and deposited and are properly recorded in the case management system. The policing





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cooperative does not ensure the method of payment is properly recorded on the bond forms and/or the bond log, and the municipal division does not ensure the method of payment is properly recorded in the case management system. The Court Clerk posts all bonds to the case management system as cash, regardless of the actual payment method. The bond forms and bond log do not include the appropriate detail needed to record all types of payment that are accepted by the city including cash, money order, or credit card. In some cases, the police officer accepting the bond made a notation that the bond was paid by credit card, but this procedure was not applied consistently. As a result, auditors could not reconcile the composition of receipts to the composition of deposits.

The lack of segregation of duties, inadequate internal controls, and the absence of proper oversight by the Municipal Judge or other city officials, as discussed in MAR finding number 2, resulted in the failure to detect these discrepancies. Controls over manual bond forms are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds. Necessary controls include accounting for the numerical sequence of bond forms, properly indicating the method of payment, ensuring proper and timely recording of bond receipts in the case management system, and reconciliations of various records.

## 1.2 Bond liabilities, reconciliations, and review of open bonds

A book balance for the bond account is not maintained to facilitate monthly reconciliation to the bank balance and related liabilities (open bonds). In addition, while a list of outstanding bonds is maintained in the municipal division's case management system, the list is not generated and submitted to the city monthly for reconciliation to the bond account balance. The municipal division has not established procedures to review the status of open bonds held and some bond monies are not properly restricted.

### Bond liabilities

At our request, the Court Clerk generated a list of open bonds at February 29, 2016, that totaled \$365,641. Based on municipal division procedures and case management system programming, we determined the listing was not accurate. We adjusted the reported total of open bonds for the following items:

- The reported total excluded bonds that had been applied or forfeited, but the corresponding transfers had not been processed as of February 29, 2016. When bonds are applied or forfeited, money is transferred from the bond account to other city accounts. We determined the amount of pending transfers. (increase of \$63,791)
- We identified one bond that had been refunded and cleared the bank as of February 2016 but the refund transaction had not been posted to the case management system. (decrease of \$115)



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- We identified approximately 600 bonds included in the report classified as partially applied but the report included the full amount of the bond originally posted by defendants. (decrease of \$136,547)

The adjusted amount of open bonds totaling \$292,770 exceeded the actual bank balance of \$12,453, an apparent shortage of \$280,317. The bank balance includes the sum of the actual cash balance of \$9,583 in the bond account as of February 29, 2016, plus \$2,870 in bonds paid by credit card that we confirmed were deposited in the fines and fees account during fiscal year 2015. The reconciled bank balance is likely less due to outstanding checks; however, we were unable to determine the reconciled bank balance because the municipal division does not maintain a list of outstanding checks. Considering this large discrepancy, there is little assurance bond monies are accounted for properly.

City personnel indicated they were aware of an apparent shortage and have been unable to perform timely transfers of monies for bonds that have been applied to court fines and costs or forfeited. We identified several potential explanations for the apparent shortage in the bond account. After adjusting for these known and/or possible differences totaling approximately \$172,100, the remaining unexplained shortage is approximately \$108,217.

- As previously discussed in this section, approximately 600 bonds were classified as partially applied indicating only a portion of the original bond was applied to court fines and costs, and a refund is likely due to the defendant, though we were unable to determine whether these refunds had been processed and, if so, whether the checks had cleared the bank. These bonds were originally posted at various dates dating back to 2000.

We reviewed the 3 bonds originally posted during fiscal year 2015 and noted that refunds had been issued for all 3. Two of the these refund checks were still outstanding at the time of our review. As a result, we did not remove them from the open bonds total shown earlier, since the amount of outstanding checks is not known and we are comparing to the actual cash balance, not the reconciled bank balance. None of these 3 refunds had been posted to the case management system.

As a result, approximately \$80,200 included in the adjusted open bonds total may represent bond refunds that have already been issued but not posted to the case management system. If these refunds have been issued, the apparent shortage would be less.

- In July 2014 and April 2015 the city disbursed a total of about \$90,000 from the bond account for lease payments due on police vehicles. Bond monies are restricted and should not be disbursed unless forfeited by the



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defendant, applied to fines and costs, or refunded. Although these payments reduced the amount of bond monies in the account, the city has not reduced planned future transfers for bonds applied or forfeited.

- The bank and credit card processor assess monthly service fees on the bond account. For the year ended June 30, 2015, these fees totaled approximately \$1,900. Although these fees reduced the amount of bond monies in the account, the city has not reduced planned future transfers for bonds applied or forfeited.

Missouri Supreme Court Operating Rule No. 4.59 (Uniform Record Keeping System) requires reconciling all bank balances and open items records at least monthly. Missouri Supreme Court Operating Rule No. 4.56 requires the municipal division to prepare a record of open items monthly. Maintaining a book balance, reconciling the bank balance to the book balance, and reconciling liabilities to the reconciled bank account balance are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities. Also, monthly lists of liabilities are necessary to ensure all bond dispositions have been properly recorded. In addition, city officials should ensure they have sufficient legal rights to bond monies before expending these monies.

#### Review of open bonds

The municipal division has not established procedures to review the status of open bonds held and ensure amounts listed as liabilities are accurate. Of the outstanding bonds at February 29, 2016, 1,029 were posted more than 5 years ago, with 19 of these bonds dating back to 2000.

Based on the problems and apparent shortage discussed earlier, we reviewed documentation for an additional 20 cases with bonds totaling approximately \$8,000 from the February 29, 2016, open bonds listing to determine if the bonds were classified accurately. We determined 3 of these bonds were misclassified and did not represent liabilities. For 2 cases, the court applied the bonds to the defendant's fines and costs in 2014 according to case records but the bonds remained on the listing of open bonds at February 29, 2016. For another case, a bond was forfeited by a court order but the Court Clerk did not record the forfeiture in the case management system. In addition, while not misclassified, we noted another bond was not forfeited timely.

The failure to establish procedures 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.



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### Restricted bond monies

Bond monies should be legally restricted until such time as they are forfeited, applied, or refunded; however, bonds paid by credit card are deposited into the city's fines and fees bank account instead of the bond bank account, and the related disbursements and balance are not tracked separately. As a result, the municipal division and the city do not know what portion of the fines and fees account balance represents restricted bond monies and cannot demonstrate disbursements of these funds were allowable or appropriate.

When receipts and disbursements associated with restricted monies are maintained in the same bank account, separate accounting should be established to track their usage and ensure compliance with state laws.

## Recommendations

The City of Wellston Municipal Division:

- 1.1 Investigate the missing funds and other questionable transactions, and seek assistance from law enforcement if appropriate. Continue to ensure manual bond forms are prenumbered and work with the policing cooperative to ensure manual bond forms and the bond log clearly indicate the method of payment. Also, implement procedures to ensure someone independent of the receipting process accounts for the numerical sequence of manual bond forms and reconciles the forms and/or the bond log to the case management system and deposits.
- 1.2 Work with the city to maintain a bond account book balance, perform monthly bank reconciliations, and follow up on outstanding checks. In addition, prepare monthly lists of liabilities and reconcile the lists to the bank balance of all bond monies held, promptly investigate and resolve differences, and work with the city to investigate reasons for the large unidentified difference in the bond account. Further, routinely review the list of open bonds and disburse or dispose of monies as appropriate, implement procedures to ensure bond activity is posted to the case management system accurately and timely, determine the amount of restricted bond monies in the fines and fees account, and ensure bond monies are properly restricted.

## Auditee's Response

*The previous police department was disbanded. There was concern that the previous police department and other personnel did not adequately document all financial transactions and/or may not have properly followed procedures.*

- 1.1 *In the past, the police department was intricately involved in receiving bond monies and documenting said transactions. Regarding any shortage in said bond accounts, please be advised*



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*that the City of Wellston, under the current Mayor, conducted an internal investigation of the bond procedure process. As a result of that investigation in 2015, the city changed the process of how bonds were administered to comply with all applicable statutory requirements. The city and municipal court are in the process of reviewing policies and procedures and will comply with all applicable statutory requirements.*

*1.2 The city and municipal court are in the process of reviewing policies and procedures, and fully intend to comply with all applicable statutory requirements.*

## **2. Accounting Controls and Procedures**

Various accounting controls and procedures in the municipal division need improvement.

Municipal division fines and court costs are collected by the Court Clerk and transmitted to the City Bookkeeper for deposit into the city's fines and fees account. Cash bonds are collected by police personnel and transmitted to the Court Clerk and then transmitted to the City Bookkeeper for deposit into in the city's bond account. During the year ended June 30, 2015, the municipal division collected and the city deposited into city accounts approximately \$419,600 in fines, court costs, and bonds.

### **2.1 Oversight**

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of court 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 court monies, recording and posting payments received to the case management system, and preparing and transmitting deposits to the City Bookkeeper for deposit into city accounts. The City Bookkeeper performs a limited review of the municipal division transmittals, including recalculating the deposit slip total to ensure accuracy. For deposits that include cash payments of fines and court costs, the City Bookkeeper also compares the cash amount on the deposit slip to a daily payments report generated from the case management system. There are no procedures in place to account for the numerical sequence of receipt slips issued or compare the composition of receipt slips to the composition of monies transmitted.

Additionally, the city does not provide documentation to the municipal division detailing how court monies transmitted to the city for deposit were recorded in the city's accounting records. Without this documentation, the Court Clerk cannot compare amounts transmitted by the municipal division to amounts recorded by the city to confirm city records are in agreement with municipal division records. Monthly reconciliations between amounts



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recorded in the case management system and amounts recorded in city records are necessary to ensure proper accountability.

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.

## 2.2 Recording and transmittal procedures

Municipal division receipts were not transmitted intact or timely to the city for deposit, receipts were entered in the case management system in the wrong amounts, and refunds were not issued for overpayments. Our review of municipal division receipts and city deposit records identified the following issues.

- We performed a cash count on June 3, 2015, and noted a money order for \$120 that was receipted September 24, 2014, had not been deposited. The Court Clerk indicated she could not identify which case and/or defendant this payment was associated with and, as a result, could not determine how to post the payment in the case management system.
- Also, during our June 3, 2015 cash count, we noted a defendant submitted a \$50 money order that was receipted in the case management system on May 28, 2015, but only recorded for \$40. Additionally, we identified 4 other payments received during September 2014, January 2015, and May 2015 for which the total subsequent deposit was \$32.50 greater than the amounts recorded in the case management system. The Court Clerk explained the defendants made overpayments, but the court did not issue refunds.
- Bonds were not always deposited timely and/or intact. For example, bonds totaling \$16,165 received by the police department during October 2014 were not deposited until December 9, 2014. In addition, the Court Clerk indicated sometimes the officers would mistakenly place bonds in the evidence box instead of the bond box, and these bonds would not be discovered until the evidence box was opened.
- Money orders received for fines and court costs on December 24, 2014, totaling \$55 were not deposited into a city account until January 5, 2015. Money orders received for fines and court costs during the period January 16, 2015, to January 21, 2015, totaling \$1,795 were not deposited into a city account until January 26, 2015.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies should be transmitted intact and timely, and refunds



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should be promptly issued for any amounts overpaid. Additionally, all payments received should be entered in the case management system for the correct amount.

### 2.3 Speed camera receipts

The city did not require adequate detail from a vendor to ensure the city received all monies due. Also, the city and the vendor did not comply with the Missouri Department of Transportation's (MoDOT) policies governing use of speed cameras on state highways.

In October 2012, the city entered into a contract with a vendor to install speed cameras at several locations throughout the city. The vendor issued citations directly to the vehicle's owner of record and defendants were instructed to pay their citations through the municipal Violation Bureau (VB). The Court Clerk logged the payments as received, issued manual receipt slips to customers, accumulated the payments received, and transmitted monies to the vendor monthly. The vendor then issued monthly payments to the city in accordance with the contract, which required the vendor to provide the city with 60 percent of monies from paid citations. In addition to monies collected through the VB, the vendor also collected some payments directly from defendants through a web-based payment system. The city received revenues of approximately \$440,000 from the vendor from October 2012 through September 2014. The Court Clerk indicated the vendor ceased operations approximately October 2014, without providing advance notification to the city or municipal division. The Court Clerk was unable to provide an exact date the vendor stopped issuing citations or date the vendor removed the cameras from operation.

The VB collected \$430 in additional payments during October and November 2014 and deposited these monies into the city's fines and fees account in November 2014. Since city officials could not locate the vendor, they retained these monies and did not provide the vendor with its 40 percent share as required by the contract. It is unknown how much the vendor collected directly through the company's web-based payment system during this time period or when it stopped accepting payments from citations issued in Wellston.

The city should adequately monitor payments from vendors to ensure compliance with contract terms. The city did not have procedures in place to ensure the city received the correct amount of monies from the vendor based on the contractual terms and conditions. The vendor only provided a monthly summary report documenting the total number of citations issued, voided, or not issuable as well as the amount of fines paid and net fines due to the city. The city did not request more detailed information from the vendor as allowed by contract and, as a result, the city did not ensure the monthly payments received from the vendor were complete and accurate.



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The vendor did not submit payment for any monies collected during October 2014 or thereafter, if applicable.

In addition, the city and vendor did not comply with the MoDOT's policies governing use of speed cameras on state highways. The MoDOT's Automated Traffic Enforcement Policy, issued in 2011, only allows use of speed cameras on state highways if the enforcement area is a school zone, work zone, or Travel Safe Zone. In addition, this policy requires advance signage, a public awareness campaign, submission of annual reports to the MoDOT, and a contract between the MoDOT and the city. The Court Clerk confirmed one of the cameras had been operating at the intersection of a state highway and a city street. It is likely this area does not meet the criteria of being a school zone, work zone, or Travel Safe Zone. The contractual terms and conditions did not include any of the MoDOT requirements.

## 2.4 Timely disbursements

City officials did not disburse amounts collected for the Crime Victims Compensation Fund (CVC) and Peace Officer Standards and Training Commission (POST) surcharges monthly. The municipal division collects the CVC and POST surcharges of \$7.50 and \$1 on each case filed, respectively, and periodically transmits this money to the city for deposit; however, the city did not distribute these fees timely.

The city did not distribute the state's portion of CVC fees collected during the period July 2014 through March 2015 until April and May 2015, when approximately \$16,300 was distributed to the Missouri Department of Revenue (DOR). In addition, the city did not distribute POST fees collected during the period July 2014 through March 2015 until May 2015, when approximately \$2,200 was distributed to the Missouri State Treasurer.

Missouri Supreme Court Operating Rule 21.02 indicates state court costs collected by the municipal division should be disbursed within 30 days of receipt.

## 2.5 Disbursement errors

The Court Clerk did not accurately report the amount of CVC and POST surcharges collected to the city due to programming errors in the case management system, resulting in underpayments to the state of approximately \$2,250 for certain surcharges.

Amounts reported to the Office of the State Courts Administrator (OSCA) on the monthly Municipal Division Summary Reporting Form are generated directly from the case management system. However, the municipal division does not provide this report to the city. Instead, the municipal division generates a separate report from the case management system that lists totals of the various court fees and surcharges collected for each month. The city uses this report to determine the amount of fees and surcharges to disburse to other entities. The monthly totals by type of fee or surcharge did not always agree between the two reports.





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We compared these reports and actual disbursements for the year ended June 30, 2015, and noted \$19,730 and \$2,757 of CVC and POST collections, respectively, should have been remitted to the state; however, the city remitted \$17,500 and \$2,738. These reporting differences resulted in underpayments of \$2,230 and \$19, respectively. According to a representative of the vendor that operates the municipal division's case management system, the municipal division had established multiple classifications for the same court surcharges, which resulted in the errors on the monthly report provided to the city. The representative confirmed these issues would not have impacted the accuracy of the Municipal Division Summary Reporting Form submitted to OSCA.

To ensure accurate information is reported to the city, the municipal division should establish procedures to provide the city with accurate monthly reports. In addition, the municipal division's records for court cost collections should be reconciled with the related city disbursements to ensure proper amounts are disbursed to the state.

## Recommendations

The City of Wellston Municipal Division:

- 2.1 Ensure documented thorough independent or supervisory reviews of municipal division accounting records are periodically performed. In addition, work with the city to ensure monies transmitted to the city are reconciled with deposits recorded in the city's accounting records.
- 2.2 Ensure receipts are transmitted intact and timely. Additionally, ensure receipts are entered in the case management system at the correct amount and promptly issue refunds for overpayments.
- 2.3 Monitor for compliance with contract terms to ensure the city has received all monies due. If speed cameras are placed back in operation by a vendor, ensure the vendor and the city are in compliance with MoDOT policies governing the use of the cameras on state highways.
- 2.4 Work with the city to ensure court fees are disbursed within 30 days of receipt.
- 2.5 Ensure CVC and POST monthly distributions are correct and work with the city to ensure additional amounts due are remitted to the state.

## Auditee's Response

- 2.1 *Currently, the city and municipal court are in the process of re-evaluating bond procedures. Much of the previously mentioned shortage occurred prior to the current administration taking office.*



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*The city fully intends to comply with all applicable statutory requirements.*

- 2.2 *Due to budgetary constraints and a shortage of staff, some financial transactions were not properly documented, recorded, and/or disbursed in a timely manner.*
- 2.3 *In regard to fees due to the City of Wellston from speed cameras, other courts have determined that said cameras were not lawful, and therefore, we believe attempts to collect monies from unlawful cameras would not have been appropriate.*
- 2.4 *The city and municipal court are in the process of reviewing policies and procedures and fully intend to comply with all applicable statutory requirements.*
- 2.5 *The city and municipal court are in the process of reviewing policies and procedures regarding CVC and POST monthly distributions and fully intend to comply with all applicable statutory requirements.*

### **3. Municipal Division Procedures**

Various municipal division procedures need improvement.

#### **3.1 Accrued costs**

The Court Clerk does not periodically review accrued costs owed to the municipal division. The case management system tracks accrued costs and can produce a report of balances due; however, the Court Clerk does not print and review this report to identify cases needing additional collection efforts or are potentially uncollectible. As of February 29, 2016, accrued costs recorded in the case management system totaled approximately \$793,600.

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.

#### **3.2 Implementation of Municipal Judge's court order**

The municipal division has not taken timely or appropriate actions to implement a court order issued by the Municipal Judge in 2015 and, as a result, the municipal division's caseload remains very high, the city is not able to collect monies owed timely, and the Municipal Judge's intent to change the practices of the court in response to Senate Bill 5 (effective August 28, 2015) has not been met.



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The Municipal Judge issued a court order on August 20, 2015, which requires the municipal division to (1) request the DOR to set aside any driver license suspensions previously imposed, (2) recall all warrants for defendants who have pled guilty or been found guilty and have unpaid fines and court costs, (3) recall all other arrest warrants issued prior to the effective date of the order, (4) issue a show cause summons to any defendants who had their warrant recalled, and (5) dismiss all pending charges of failure to appear. In addition, the Municipal Judge further ordered (6) case reviews to be conducted for all defendants with unpaid fines and court costs to include consideration of alternate case dispositions such as payment plans, community service, and/or commuting fines for indigent defendants.

As of April 30, 2016, the municipal division's records indicated there were 36,229 cases pending disposition and 21,155 active warrants. Of the six tasks defined in the court order, task number 5 has been fully implemented; task numbers 1 and 6 have not been implemented; and task numbers 2, 3, and 4 have been partially implemented.

Regarding tasks number 2 and 3 in the court order, the Court Clerk indicated about 5,000 warrants were recalled by the policing cooperative in late 2015; however, this information was not recorded in the municipal division's case management system and was only recorded in the case management system used by the police cooperative. Additionally, the warrants recalled only included warrants entered in the North County Police Cooperative's system after May 2015, and the cooperative's officers cannot view the warrants that are only in the municipal division's case management system. The warrants recalled only represent a small portion of the total warrants that should have been recalled if the municipal division had fully implemented the court order. The Court Clerk did not maintain a list or other documentation of the warrants recalled by the police cooperative. Regarding task 4, the Court Clerk estimated between 500 and 1,000 defendants have been issued show cause letters and new court dates. However, the Court Clerk indicated she has no formal method of tracking the progress of implementation, and she works on this project as time allows. The Court Clerk indicated only minimal progress had been made on the other directives in the court order due to staffing limitations.

Proper and timely implementation of the Municipal Judge's court order is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper and timely implementation is necessary to ensure the municipal division's docket is reduced and to ensure the Municipal Judge's intent to change court practices is met. The court order indicates the Municipal Judge's intent is to comply with Senate Bill 5 (effective August 28, 2015) and changes to Supreme Court Rule 37.65 (effective July 1, 2015).



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### 3.3 Dismissed cases

The municipal division regularly collects court costs, fees, and surcharges on dismissed cases, in violation of state law. The practice of the Court Clerk is to record cases as dismissed upon payment of court costs (DOPC) as directed by and at the discretion of the Municipal Judge, based on circumstances. For DOPC cases, the defendant is not required to enter a plea, no fine is assessed, and no record of conviction is entered. During the year ended June 30, 2015, the municipal division recorded 1,006 cases as DOPC that generated approximately \$25,000 in revenues. In addition, the municipal division routinely entered DOPC for speed camera citations if a defendant appeared in court and requested dismissal by the Municipal Judge. Because division personnel do not enter these citations into the case management system the total number of citations that were DOPC and the related revenues generated could not be determined.

Prior to August 28, 2015, various statutory provisions including 488.607, 488.5336.1, and 595.045.1, RSMo, prohibited collection of surcharges or fees including Domestic Violence, Law Enforcement Training, and Crime Victims' Compensation in any proceeding in any court when the proceeding or the charges have been dismissed by the court. Effective August 28, 2015, Section 479.353(5), RSMo, prohibits the assessment of court costs if the case is dismissed.

### 3.4 Restricted funds

The city and the municipal division have little assurance that certain court surcharges were properly used in compliance with state law. The city did not establish a separate fund and/or accounting for monies collected for the domestic violence surcharge or biometric verification surcharge, is not accounting for the monies collected and expended, does not know what has been spent or the remaining balance, cannot demonstrate that these monies were used for statutorily intended purposes, and did not properly authorize these surcharges.

**Domestic violence surcharge** For the fiscal year ended June 30, 2015, the city deposited domestic violence surcharge monies totaling \$4,727 into the fines and fees bank account. The municipal division assessed this \$2 surcharge on cases filed through April 2015, when the fee was discontinued. In April 2015, the municipal division enacted a new VB schedule to better standardize fines and court costs with other municipal courts in the Twenty-First Judicial Circuit and, as part of this change, the court eliminated the domestic violence surcharge and began assessing the biometric verification surcharge. While the Municipal Judge authorized establishing a new Violation Bureau schedule of fines and costs, we could not find in city records that the City Council ever approved assessment of the domestic violence surcharge.

Section 488.607, RSMo, provides that a city shall use such monies only for the purpose of providing operating expenses for shelters for battered persons. City officials indicated the city did not provide any funding to such



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a shelter in fiscal year 2015. The city has collected the domestic violence surcharge for years and city records do not clearly indicate whether those monies have been distributed to domestic violence shelters in prior years. The balance in the account into which this surcharge is placed is insufficient to indicate accumulated surcharge collections remain on hand.

Biometric verification surcharge

For the fiscal year ended June 30, 2015, the city deposited biometric verification surcharge monies totaling \$574 into the fines and fees bank account. The municipal division began assessing this \$2 surcharge on new cases filed starting in April 2015. The city has not established a separate fund for these monies as required by statute.

Section 488.5026.3, RSMo, requires establishment of an Inmate Prisoner Detainee Security Fund and provides requirements concerning the usage of biometric verification fee funds and allowable uses include acquisition and development of a biometric verification system; maintenance, repair, and replacement of the information sharing or biometric verification system; and any expenses related to detention, custody, and housing and other expenses for inmates, prisoners, and detainees.

The city no longer has a city-operated police department but the Court Clerk indicated the city intends to provide these monies to the contracted policing cooperative. Such a distribution would be allowable if the cooperative uses the monies in accordance with statutory requirements. However, none of the monies have been disbursed to the police cooperative as of May 2016. Also, the contract between the city and the cooperative does not include any provisions relating to this surcharge.

Establishment of surcharges

The City Council has not approved an ordinance or otherwise authorized the municipal division to collect certain surcharges, including the biometric verification surcharge and law enforcement training surcharge.

Section 488.5026.1, RSMo, requires the biometric surcharge be approved by the governing body of a municipality. Section 488.5336 requires the law enforcement training surcharge be authorized by the municipal government. If the city intends to continue collecting these surcharges, they should be properly authorized.

Conclusion

To ensure compliance with applicable state laws, separate funds and/or accounting of receipts and related disbursements associated with specific activities or restricted usage should be maintained, and surcharges assessed by the court should be properly authorized.

3.5 Ticket accountability

The city police department and the municipal division did not adequately account for the numerical sequence or ultimate disposition of all traffic tickets issued. Additionally, the municipal division has not established



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similar procedures to ensure ticket accountability for the current policing cooperative. At our request, the Court Clerk generated a comprehensive sequential list of all tickets filed with the municipal division during the year ended June 30, 2015.

As previously noted, a policing cooperative took over policing duties in June 2015. The assigned officers issue tickets that are prosecuted through the municipal division. Officers of the policing cooperative stated when the cooperative took over police duties they found various partially used ticket books and overall ticket book disorganization.

The municipal division does not maintain a log documenting the electronic or manual tickets received from the police cooperative. Before and after the disbanding of the police department, police officers issued both electronic and manual tickets that are manually submitted to the municipal division for processing. The policing cooperative has future plans to convert to a fully electronic system that will automatically populate tickets issued to the case management system. However, there are currently 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.

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

### 3.6 Municipal division records

Municipal division records are not maintained in an accurate, complete, and organized manner. The Court Clerk documents case information for each defendant on backer sheets kept in manual case files as well as computerized docket sheets maintained in the case management system. However, for 54 of 60 cases (90 percent) reviewed, case activity (court continuances, warrant, and/or bond activity) information did not agree between manual and electronic records.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer 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 information, and disposition of the case. Accurate recording of the case information is necessary to properly account for the municipal division's financial activity. Failure to implement adequate case entry procedures increases the risk that loss, theft, or misuse of funds will go undetected and municipal division records will contain errors.

### 3.7 Case dispositions

The Municipal Judge does not approve the final disposition of cases brought before the court and does not review and approve traffic and ordinance violation tickets paid through the VB. Additionally, the Municipal Judge's



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approval of amended or dismissed tickets is not documented. Our review of 41 tickets included 9 amended tickets and 8 dismissed tickets (5 dismissed on payment of court costs and 3 nolle prosequi). The ability of the Court Clerk to amend and dismiss tickets without a documented review is a significant control weakness, and increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected.

The Court Clerk records the case activity and final disposition of each case on the official docket sheets maintained electronically in the case management system, but does not print the final docket for the Municipal Judge's review and approval.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the final docket to indicate approval of the recorded disposition.

### 3.8 Prosecutor approval

The Prosecuting Attorney does not sign tickets processed by the municipal division.

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

### 3.9 Fines and court costs

The municipal division does not always assess fines and court costs in accordance with the VB schedule. The VB schedule shows the standard fines and court costs for violations payable through the VB prior to the court date. In addition, the Court Clerk does not ensure there is documentation to explain reasons for assessing other than standard fines and court costs.

In 3 of 21 (14 percent) cases we reviewed, amounts recorded in the system as the amounts assessed for fines and costs did not agree with the VB schedule. For example, one defendant was assessed fines and costs for \$135 less than the amount listed for the violation on the VB schedule. In another case, the fine and costs assessed for the violation were \$85 less than the amount listed on the VB schedule. The Court Clerk could not provide an explanation for these discrepancies.

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 Municipal Judge and properly recorded in the case management system.



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## Recommendations

### The City of Wellston Municipal Division:

- 3.1 Establish procedures to routinely generate and review the accrued costs list, and ensure proper follow up on amounts due, and provide information to and work with the Municipal Judge regarding amounts deemed uncollectible.
- 3.2 Ensure proper and timely actions are taken to fully implement the court order issued by the Municipal Judge. The city should consider resources and procedures needed to efficiently implement the judge's order.
- 3.3 Assess surcharges in accordance with state law.
- 3.4 Work with the city to ensure surcharges collected for restricted purposes are adequately tracked or deposited into separate bank accounts, and expended for statutorily allowed purposes. Also work with city to establish an order or ordinance authorizing collection of the biometric verification surcharge and law enforcement training surcharge or discontinue collecting the surcharges. Additionally, if the surcharges are authorized, the city should create a separate Inmate Prisoner Detainee Security Fund and deposit all biometric verification surcharge monies into this fund as required by statute.
- 3.5 Work with the police cooperative to ensure the numerical sequence of all tickets issued is accounted for and all tickets submitted to the municipal division are accounted for properly.
- 3.6 Ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.
- 3.7 Ensure the Municipal Judge signs all court dockets and reviews and approves all amended and dismissed tickets.
- 3.8 Ensure the Prosecuting Attorney signs all tickets.
- 3.9 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.





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## Auditee's Response

- 3.1 *The city and municipal court are in the process of reviewing policies and procedures and fully intend to comply with all applicable statutory requirements.*
- 3.2 *Due to budgetary constraints and a shortage of staff, some unpaid fines were not pursued, and there was not sufficient staff to fully implement the Municipal Judge's order dated August 20, 2015.*
- 3.3 *The city and municipal court are in the process of reviewing policies and procedures, and fully intend to comply with all applicable statutory requirements.*
- 3.4 *The city and municipal court will work together to determine for what period the domestic violence surcharge was collected but not remitted and determine how to proceed. Also, we will work together to seek the City Council's authorization to collect the biometric and LET surcharges. The city and municipal court are working with the North County Cooperative Police Department to ensure all biometric verification surcharge monies are used appropriately.*
- 3.5 *The previous police department, which failed to adequately account for the numerical sequence of tickets, has been disbanded. The city and municipal court will work with the current police department to account for the traffic tickets and their disposition. The municipal division will improve its sequential documenting of tickets.*
- 3.6 *Municipal court staff will make a greater effort to ensure that case activity between manual records and electronic records is consistent.*
- 3.7 *Currently, the Municipal Judge approves all cases disposed through the courts. All court dispositions are currently documented.*
- 3.8 *The Municipal Court Prosecutor will sign all tickets.*
- 3.9 *Staff shortages resulted in several financial transactions not being properly documented. Fines received through the violation bureau are consistent with the pre-approved payment schedule. Payments received through the violation bureau in the future will be approved by the appropriate personnel.*

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## 4. Monitoring of Excess Revenues

The municipal division does not have procedures in place to identify minor traffic violation tickets and the associated fines and court costs collected. This information is needed so that the city can accurately calculate whether the city has excess revenues due to the DOR. In addition, the city's procedures to calculate whether excess revenues are due to the DOR are not



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adequate to ensure compliance with state law. While the city calculated no excess revenues were due to the DOR for the fiscal year ended June 30, 2015, the city's calculation was inaccurate.

The city's excess revenue calculation for the year end June 30, 2015, indicates court revenues totaled \$298,471 or 11 percent of revenues, and city officials believe they are in compliance with the requirements of the statute. However, our review of city data indicated the total general operating revenue reported by the city for use in its excess revenue calculation is misstated. The city included restricted revenues from state motor vehicle taxes and fees, capital improvement sales tax, sewer lateral fees, restricted police training funds, interfund transfers, bonds not yet applied or forfeited, and restricted court surcharges in the general operating revenue amount reported. These restricted revenues should be excluded from general operating revenues used in the calculation of excess revenues.

Additionally, the revenues from traffic violations used by the city in its excess revenue calculation were not accurate. Traffic violation revenues reported by the city improperly included restricted court surcharges and fines related to ordinance violations and non-traffic violations. State law, as it existed prior to August 28, 2015, allows the city to exclude revenues from most non-moving violations when determining total traffic violation revenues, except for those revenues related to tickets amended from a moving violation. Based on discussions with the vendor who provides the municipal division's case management system, the system is capable of generating a report that would provide the necessary information to identify which court revenues should be considered in fines and court costs related to minor traffic violations under state law; however, the municipal division has not worked with this vendor to properly program the system to generate this report.

The city does not does not prepare detailed financial statements and cannot provide adequate detail on revenue sources and amounts needed to calculate general operating revenues. As a result, we could not determine the specific amounts misstated in the city's calculation of excess revenues. City and court officials do not have a process in place to identify minor traffic violations and the related fines and costs and do not adequately understand how to differentiate restricted revenues from general operating revenues. We noted the city's financial reports filed with the State Auditor's Office in September 2015 reported total city revenues of approximately \$2.8 million for the year ended June 30, 2015, while a report (unaudited) prepared for the city by an independent CPA firm after September 2015 reported total city revenues of approximately \$1.6 million, a difference of about \$1.2 million. While neither of these amounts represent general operating revenues, the significant difference further indicates there are errors in the city's calculation.



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Section 302.341.2, RSMo (as it existed from August 28, 2013 to August 27, 2015), required cities to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations in its annual financial report submitted to the SAO (as required by Section 105.145, RSMo), and required cities to remit any such revenues in excess of 30 percent of annual general operating revenue to the DOR.

Effective August 28, 2015, Senate Bill 5 (SB 5) changes the excess revenues requirements. Section 479.350, RSMo, provides new definitions for elements of the excess revenues calculation. Section 479.359.1, RSMo, requires cities to annually calculate the percent of general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations, and send any excess revenues to the DOR. Section 479.359.2, RSMo, reduces the amounts of these revenues the city may retain in the future.

Due to the impact of these provisions on operations of the municipal division and the city, it is important the city and municipal division take immediate action to implement policies and procedures to ensure future compliance with state law.

## Recommendation

The City of Wellston Municipal Division implement a procedure to identify minor traffic violations and the related fines and costs, and work with the city to ensure the accuracy of annual excess revenues calculations. Additionally, the Wellston City Council should recalculate excess revenues for fiscal year 2015 and make payment to the DOR, if appropriate, for any excess revenues identified. Further, the city should maintain adequate documentation to support excess revenues calculations.

## Auditee's Response

*The municipal division will put in place a mechanism to identify minor traffic violation tickets, the associated fines, and court costs. This will allow the city to accurately determine whether excess revenues are due to the appropriate governmental entity. The city will work to improve its documentation of financial records.*

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## 5. Records and Reporting

The former City of Wellston Police Department did not submit annual vehicle stops data to the Attorney General's Office (AGO) as required by state law. In addition, the monthly reports submitted to the OSCA were not complete and accurate, the Court Clerk did not file a monthly report of cases heard with the city as required, and the court could not locate some case records.

### 5.1 Vehicle stops reporting

The City of Wellston Police Department did not submit annual vehicle stops data to the AGO as required by state law, and had not done so since 2010.

The Wellston Police Department was disbanded in June 2015 and policing services are now provided on a contractual basis by the North County



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Policing Cooperative. The cooperative is now responsible for submitting the vehicle stops data for the cities who have joined the cooperative, as required by law. According to city officials, the vehicle stops data for 2011 to 2014 is no longer accessible because the city discontinued use of the software previously utilized by officers to record certain ticket data, including data that would be needed to prepare the vehicle stops report.

Section 590.650.2, RSMo, requires law enforcement agencies to submit stops data to the AGO annually.

## 5.2 OSCA reports

The Court Clerk did not submit accurate monthly reports of municipal division activity to the OSCA.

The Court Clerk generates the monthly Municipal Division Summary Reporting Form from the case management system, showing caseload information, warrant information, and collection amounts entered into the case management system. Some collection amounts were not included in the report because they were not entered into the case management system. Reported amounts did not include bond processing fees and the city's share of speed camera tickets from a third party vendor, both of which have been discontinued. As a result, collections reported to the OSCA for the year ended June 30, 2015, were understated by about \$68,500, comprised of approximately \$3,700 in bond processing fees and \$64,800 in speed camera revenues.

Missouri Supreme Court Operating Rules 4.28 and 4.29 and OSCA instructions require monthly reports of case information be submitted to the OSCA. 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, 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, including any collections not entered in the case management system.

## 5.3 Report of cases heard

The Court Clerk did not file a monthly report of cases heard with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

The Court Clerk submits a monthly summary of court revenue collections to the city; however, this report does not comply with state law. The report does not provide information by case including the names of the defendants and fines, court costs, and fees imposed.

Supreme Court Operating Rule 4.29 and Section 479.080.3, RSMo, require the Court Clerk to prepare a monthly report of all cases heard in the



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municipal division court. The report is to be verified by the Court Clerk or Municipal Judge and filed with the city.

#### 5.4 Missing records

Some case records could not be located. Twenty-two case files requested by auditors could not be located.

Supreme Court Operating Rule No. 8 contains requirements for case record retention. Retention of applicable records is necessary to properly account for the municipal division's case and financial activity.

### Recommendations

The City of Wellston:

- 5.1 Work with the policing cooperative to ensure vehicle stops data is submitted annually to the AGO and accurate records are maintained to support the vehicle stops information submitted.

The City of Wellston Municipal Division:

- 5.2 Establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting forms.
- 5.3 Ensure a monthly report of cases heard in the municipal division is prepared and filed with the city in accordance with state law and Supreme Court Operating Rule.
- 5.4 Ensure financial records are retained in accordance with court operating rules.

### Auditee's Response

- 5.1 *The City of Wellston Police Department has been disbanded. The North County Police Cooperative now provides police services for the City of Wellston. The City will require the North County Police Cooperative to comply with all reporting laws and regulations.*
- 5.2 *The Municipal Court Clerk will comply with all monthly OSCA reporting requirements.*
- 5.3 *The city and municipal court are in the process of reviewing policies and procedures, and fully intend to comply with all applicable laws and Supreme Court Operating rules.*
- 5.4 *The city and municipal court are in the process of reviewing policies and procedures and fully intend to comply with all applicable laws and Supreme Court Operating rules. The Court Clerk will also improve safekeeping of all court files.*

# Twenty-First Judicial Circuit

## City of Wellston Municipal Division

### Organization and Statistical Information

The City of Wellston Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable Maura B. McShane 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. The municipal division does not utilize OSCA's statewide automated case management system known as JIS. Instead, the municipal division utilizes Integrated Metropolitan Docketing System, an automated case management system provided by Regional Justice Information Services, which has been approved for use in municipal divisions by the State Judicial Records Committee.

#### Personnel

At June 30, 2015, the municipal division employees were as follows:

Title	Name
Municipal Judge <sup>1</sup>	Timothy Smith
Court Clerk	Imogene Dooley

<sup>1</sup> Charles Kirksey served as Municipal Judge until he resigned in February 2015, and Timothy Smith was subsequently appointed by the Mayor and confirmed by the City Council in May 2015.

#### Financial and Caseload Information

	Year Ended June 30, 2015
Receipts	\$419,584
Number of tickets issued	5,279 <sup>1</sup>

<sup>1</sup> Includes 3,986 tickets entered in the case management system and 1,293 paid speed camera citations. The count does not include speed camera citations dismissed upon payment of court costs, though the city retained 100 percent of those revenues.

#### Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter <sup>1</sup>	2.00
Biometric Verification System <sup>1</sup>	2.00
Bond Processing Fee <sup>2</sup>	10.00
Warrant Recall Fee <sup>3</sup>	50.00

<sup>1</sup> In April 2015, the Municipal Division stopped assessing the Domestic Violence surcharge and began assessing the Biometric Verification System surcharge.

<sup>2</sup> The Wellston Police Department stopped collecting this fee in March 2015.

<sup>3</sup> The Municipal Division stopped assessing this fee in January 2015.



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 Organization and Statistical Information

## Vehicle Stops Report

Section 590.650, RSMo, requires law enforcement agencies report vehicle stops data to the Attorney General's Office (AGO) by March 1st of each year. The AGO compiles the data in a statewide report that can be viewed on the AGO website at <https://ago.mo.gov/docs/default-source/public-safety/2015agencyreports.pdf?sfvrsn=2>. The following table presents data excerpted from the AGO report for the City of Wellston Police Department. In addition, see information at <https://ago.mo.gov/home/vehicle-stops-report/2015-executive-summary>, for background information on the AGO's vehicle stops executive summary along with definitions for footnotes of the following table.

As noted in MAR finding number 5.1, the Wellston Police Department has not submitted vehicle stops data to the AGO since 2010 and was disbanded in June 2015. The North County Police Cooperative submitted the data for 2015, utilizing a combination of data from the former City of Wellston Police Department and the cooperative's own data.

### Racial Profiling Data/2015 - Wellston Police Department - Population 1,572<sup>1</sup>

Key Indicators	Total	White	Black	Hispanic	Asian	Am. Indian	Other
Stops	761	83	655	9	7	0	7
Searches	126	5	113	5	2	0	1
Arrests	115	3	106	3	2	0	1
Statewide Population %	N/A	82.76	10.90	2.94	1.71	0.41	1.28
Local Population %	N/A	3.24	94.91	0.51	0.13	0.19	1.02
Disparity Index <sup>2</sup>	N/A	3.36	0.91	2.32	7.23	0.00	0.90
Search Rate <sup>3</sup>	16.56	6.02	17.25	55.56	28.57	#Num!	14.29
Contraband hit rate <sup>4</sup>	47.62	20.00	48.67	40.00	100.00	#Num!	0.00
Arrest rate <sup>5</sup>	15.11	3.61	16.18	33.33	28.57	#Num!	14.29

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Search rate = (searches / stops) X 100

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

<sup>5</sup> Arrest rate = (arrests / stops) X 100

#Num! indicates zero denominator

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Supporting Documentation - Comparison of Bond Receipts to Transmittals and Deposits

Receipt Month		A Bond Receipts	B Bond Transmittals	C Amount Deposited	D Surplus/(Shortage) Transmittal	E Surplus/(Shortage) Deposit
July 2014	\$	11,750	12,380	12,380	630	630
August 2014	F	7,540	6,930	6,930	(610)	(610)
September 2014		13,865	13,988	13,988	123	123
October 2014		16,375	16,165	16,165	(210)	(210)
November 2014		4,596	4,666	4,398	70	(198)
December 2014		8,850	8,840	8,370	(10)	(480)
January 2015		9,050	7,630	6,710	(1,420)	(2,340)
February 2015		13,440	13,435	12,105	(5)	(1,335)
March 2015		12,370	12,270	11,960	(100)	(410)
April 2015		14,017	14,017	14,017	0	0
May 2015		5,580	5,580	5,580	0	0
June 2015		2,600	2,900	2,800	300	200
	\$	120,033	118,801	115,403	(1,232)	(4,630)

- A This column represents the sum of amounts recorded in the former police department's and current policing cooperative's bond log, less the \$10 per bond processing fee (discontinued March 2015) that was not deposited in the bond account and was instead deposited in the city's general revenue fund.
- B This column represents the sum of cash, check, and credit card amounts listed on the monthly transmittal sheet. This information was formerly prepared by the City of Wellston Police Department and is now prepared by the North County Policing Cooperative.
- C This column includes deposits to the bond account as well as bonds paid by credit card that we could verify were deposited in the fines and fees account.
- D These are the amounts receipted but not transmitted to the municipal division by the police department and police cooperative.
- E As noted in MAR finding number 1.1, \$3,398 was recorded on the police department's transmittal sheet as relating to bonds paid by credit card that we could not trace to a deposit due to lack of records. If this amount was deposited in the fines and fees account as the transmittal sheet indicates, the actual shortage would be \$1,232 (see column D).
- F As noted in MAR finding number 1.1, we identified a \$250 cash bond that was not recorded in the bond log but was recorded in the case management system; therefore, we added it to the bond log total.