

The seal of the State Auditor of Missouri is circular. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is at the top, "WE STAND DIVIDED" is in the middle, and "1820 MISSOURI 1892" is at the bottom.

# Nicole Galloway, CPA

---

## Missouri State Auditor

Seventh Judicial Circuit  
City of Excelsior Springs  
Municipal Division

Report No. 2020-020

April 2020

[auditor.mo.gov](http://auditor.mo.gov)



# CITIZENS SUMMARY

## Findings in the audit of the Seventh Judicial Circuit, City of Excelsior Springs Municipal Division

Prosecuting Attorney's Approval	The Prosecuting Attorney does not always sign tickets processed by the municipal division.
Electronic Data Security	Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

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

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

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

---

# Seventh Judicial Circuit

## City of Excelsior Springs Municipal Division

### Table of Contents

---

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

---

Management Advisory	
Report - State Auditor's	1. Prosecuting Attorney's Approval.....4
Findings	2. Electronic Data Security.....4

---

Organization and Statistical	6
Information	



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

Presiding Judge  
Seventh Judicial Circuit  
and  
Municipal Judge  
and  
Honorable Mayor  
and  
Members of the City Council  
Excelsior Springs, Missouri

We have audited certain operations of the City of Excelsior Springs Municipal Division of the Seventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2019. 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.

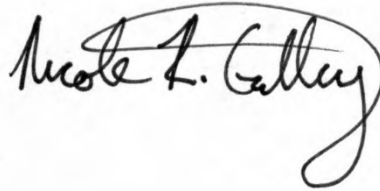
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. 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 applicable contract, grant agreement, or 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) no significant noncompliance with legal provisions, (3) noncompliance with court rules, and (4) no 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 Excelsior Springs Municipal Division of the Seventh Judicial Circuit.

A petition audit of the City of Excelsior Springs, 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, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Amanda G. Flanigan, MAcc

---

# Seventh Judicial Circuit

## City of Excelsior Springs Municipal Division

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

---

#### **1. Prosecuting Attorney's Approval**

The Prosecuting Attorney does not always sign tickets processed by the municipal division. We noted 2 of the 60 tickets we reviewed were not signed. Both of these tickets were issued during October 2018, so we reviewed an additional 10 tickets issued during the same month. Six of those tickets were also not signed by the Prosecuting Attorney. Neither the Prosecuting Attorney nor the Court Administrator could explain why some tickets were not signed.

Missouri Supreme Court Rule 37.35 provides that all 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.

#### **Recommendation**

The City of Excelsior Springs Municipal Division ensure the Prosecuting Attorney signs all tickets.

#### **Auditee's Response**

*We agree. We have no explanation as to how these tickets were overlooked. All tickets are now being signed and we anticipate this problem being resolved by the end of 2020 as the police department moves forward with e-ticketing.*

---

#### **2. Electronic Data Security**

Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

The municipal division has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The Court Administrator and the Deputy Court Clerk share the same user identification and password for the primary computer, which powers the printer, and must be logged on for the Deputy Court Clerk's computer and courtroom computer to print receipt slips. All computers are used to receipt and record payments to the case management system. In addition, the Court Administrator and Deputy Court Clerk are not required to change passwords periodically, and passwords are not required to log into the case management system.

Passwords are necessary to authenticate access to computers. The security of computer user identification and passwords is dependent upon keeping them confidential and requiring users to enter passwords when using computers. However, since passwords (1) are not used to access the case management system, (2) do not have to be periodically changed, and (3) are shared among employees, along with user identifications, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. User identifications and passwords should be unique and passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.



Seventh Judicial Circuit  
City of Excelsior Springs Municipal Division  
Management Advisory Report - State Auditor's Findings

---

**Recommendation**

The City of Excelsior Springs Municipal Division require unique user identifications for each employee. In addition, passwords should remain confidential and be periodically changed to prevent unauthorized access to computers.

**Auditee's Response**

*We agree. This finding has already been resolved.*

---

# Seventh Judicial Circuit

## City of Excelsior Springs Municipal Division

### Organization and Statistical Information

---

The City of Excelsior Springs Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Shane T. Alexander 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 the Office of State Court Administrator's statewide automated case management system known as JIS. Instead, the municipal division utilizes Incode, an automated case management system provided by Tyler Technologies, which has been approved for use in municipal divisions by the State Judicial Records Committee.

#### Personnel

At September 30, 2019, the municipal division employees were as follows:

Title	Name
Municipal Judge	Shawn L. Blair
Court Administrator	Taran Svoboda
Prosecuting Attorney	Peter W. Schloss
Deputy Court Clerk	Juanita Hughes

#### Financial and Caseload Information

	Year Ended September 30, 2019
Receipts	\$356,992
Number of cases filed	3,736

#### Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Sheriff's Retirement	3.00
Judicial Education	1.00
Inmate Security (Biometric Verification)	2.00