



Thomas A. Schweich
Missouri State Auditor

Twenty-First Judicial Circuit

City of Pine Lawn Municipal Division

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<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twenty-First Judicial Circuit, City of Pine Lawn Municipal Division

Accounting Controls	<p>Monies received are not always posted and/or deposited in a timely manner. Some monies received were not posted for a week, and some were not deposited for 3 weeks. Failure to promptly post and deposit receipts increases the opportunities for fraud or abuse. A similar finding was noted during a previous audit of the court, but the municipal division has not remedied the problem.</p> <p>The municipal division does not adequately follow-up on outstanding checks. Old outstanding checks should be voided and reissued if the payee can be located.</p>
Traffic Ticket Accountability	<p>Neither the police department nor the municipal division adequately account for the numerical sequence of traffic tickets issued and cannot be assured all tickets are properly submitted for processing.</p>
Computer Controls	<p>Employees are not required to use unique identification to log onto computers, and employees share passwords. Likewise, no user identification or password is required to access the accounting program, making it difficult to control access and maintain accountability.</p>

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

American Recovery and Reinvestment Act (Federal Stimulus)	The Twenty-First Judicial Circuit, City of Pine Lawn Municipal Division, did not receive any federal stimulus monies during the audited time period.
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*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

City of Pine Lawn Municipal Division

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THOMAS A. SCHWEICH

Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
Pine Lawn, Missouri

We have audited certain operations of the City of Pine Lawn 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, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's compliance with certain legal provisions.

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, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pine Lawn Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Pine Lawn, 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 "Thomas A. Schweich". The signature is written in a cursive style with a large, sweeping initial 'T'.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA

Twenty-First Judicial Circuit

City of Pine Lawn Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls

Deposits are not always made timely and intact. In addition, bank reconciliations for the bond account include many old outstanding checks.

1.1 Deposits

Monies received for fines and court costs are not always deposited to the city bank account timely and intact, which increases the risk of theft or misuse of funds. Receipts collected on court nights, which primarily consist of cash, are typically not posted to the accounting system and deposited until 5 to 7 days after court. Receipts collected at the Traffic Violations Bureau are posted to the accounting system timely, but are not always deposited timely. Receipts collected from November 15 through November 17, 2010, totaling \$15,124, were not deposited until December 7, 2010. Receipts collected on November 18, 2010, which included \$2,607 in cash collected at court, were not deposited until November 24, 2010.

To ensure monies are accounted for properly, all receipts should be posted to the computerized accounting system when received and deposited intact in a timely manner.

A similar condition was noted in prior audit report No. 2006-82, *City of Pine Lawn, Missouri*, issued in December 2006.

1.2 Outstanding checks

The municipal division does not adequately follow up on outstanding checks. At June 30, 2010, the bond account had 35 outstanding checks totaling \$2,140, which had been outstanding for over a year.

To properly monitor disbursements, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If payees cannot be located, amounts should be paid out in accordance with applicable state laws.

Recommendations

The City of Pine Lawn Municipal Division:

- 1.1 Ensure all receipts are posted to the computerized accounting system when received and deposited to the city bank account intact and in a timely manner.
- 1.2 Establish procedures to follow up and resolve outstanding checks in a timely manner.



Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written responses:

- 1.1 *The Court will make better efforts to make more timely deposits to the City's bank account following receipts collected on Court nights. Particularly said deposits will focus on receipts in the form of cash and diligent efforts will be made to make all deposits within 24 hours of receipt. Any sums not immediately deposited are to be placed in the Court safe pending deposit the next banking business day. All receipts are to be posted in the Pine Lawn computerized operating system in an intact and timely manner.*
- 1.2 *The Court will implement an annual review of checks outstanding over one year. All checks are mailed via U.S. Mail to the most recent address provided to the Court. Stale dated outstanding checks over one year old will be voided and will be deemed unclaimed property according to State Law.*

2. Traffic Ticket Accountability

Neither the city police department nor the municipal division adequately account for the numerical sequence of traffic tickets issued. The police department tracks ticket books assigned to each officer on a log; however, this log is not complete. Some ticket books assigned to officers were not posted to the log. Municipal division clerks enter tickets issued into the court computer system. While the computer system has the capability to account for the numerical sequence of tickets issued, the feature is not utilized.

Without a proper accounting of the numerical sequence of tickets issued, the municipal division and the police department cannot be assured all tickets issued are properly submitted for processing.

Recommendation

The City of Pine Lawn Municipal Division work with the police department to ensure the numerical sequence of all tickets issued is accounted for properly.

Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written response:

When the Court is aware of any missing numerical traffic ticket sequences, the Court will advise the police department. The Court, upon request of the Police Department, will work with the Police Department to ensure proper accounting of the numerical sequence of traffic tickets.



3. Computer Controls

Unique user identifications are not required to log on to computers in the municipal division and passwords are shared among employees. In addition, no user identification or password is required to log on to the municipal division accounting program. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals. To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files.

Recommendation

The City of Pine Lawn Municipal Division require unique user identifications and passwords for all employees.

Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written response:

In addition to the password system already incorporated in the Court computers, the Court staff will implement a user identification system to better ensure individual responsibility. It should be noted that efforts are already in place to restrict access to the Court computers by using a password that is only released to Court personnel and is changed periodically.

Twenty-First Judicial Circuit

City of Pine Lawn Municipal Division

Organization and Statistical Information

The City of Pine Lawn Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross 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 costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Dean Plocher
Court Administrator	Angela Chatman
Court Clerk	Tajuana Clark

Financial and Caseload Information

	Year Ended June 30, 2010
Receipts	\$2,080,526
Number of cases filed	18,891

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Pine Lawn Municipal Division of the Twenty-First Judicial Circuit did not receive any federal stimulus monies during the year ended June 30, 2010.