

Report on the

City of Selma

Dallas County, Alabama

October 1, 2015 through August 20, 2019

Filed: March 20, 2020



Department of Examiners of Public Accounts

401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338
P.O. Box 302251
Montgomery, Alabama 36130-2251
Website: www.examiners.alabama.gov

Rachel Laurie Riddle, Chief Examiner

Table of Contents

	<i>Page</i>
Transmittal Letter	A
Executive Summary	1
Authority	5
Profile of the City of Selma’s Government	5
Internal Controls	5
Expenditures	8
Contracts Not Properly Executed	8
Sample of Expenditures	9
Review of Compliance with Alabama Competitive Bid Law	10
Review of Compliance with Alabama Public Works Law	11
Discretionary Spending	13
Noncompliance with City Ordinances for Approval of Expenditures	13
Unallowable Expenditures	14
Unallowable Expenditures from Oil and Gas Funds	15
City of Selma Municipal Court/Magistrate’s Office	16
Policies and Procedures	16
Condition of Magistrate’s Office	17
Decrease in Revenues	22
Review of E-Citations Downloaded	22
Review of Municipal Court Cases	24
Review of Receipts and Disbursements of the City’s Municipal Court	28
Mayor, President of Council, and Councilmembers	31



Rachel Laurie Riddle
Chief Examiner

State of Alabama
Department of
Examiners of Public Accounts

P.O. Box 302251, Montgomery, AL 36130-2251
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338
Telephone (334) 242-9200
FAX (334) 242-1775

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

A review was conducted on the City of Selma, Dallas County, Alabama, for the period October 1, 2015 through August 20, 2019, by Examiners Dixie Broadwater, Chris Newton and Tanesha Richburg. I, Dixie Broadwater, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I submit this report to you on the results of the review.

Sworn to and subscribed before me this
the 17th day of March, 2020.

Kelly D. Matthews
Notary Public

Respectfully submitted,

Dixie Broadwater

Dixie Broadwater
Examiner of Public Accounts

rb

Executive Summary

Executive Summary

A review was conducted of the City of Selma, Alabama (the “City”) covering the period of October 1, 2015 through August 20, 2019 under the authority of the *Code of Alabama 1975*, Section 41-5A-12.1. Our review included tests for compliance with applicable State and local laws, including city ordinances. The following is an overview of areas reviewed, our findings for each area, and our recommendations.

Internal Controls – We attempted to evaluate internal controls at the City’s offices; however, the City does not have adequate written policies and procedures in place to ensure the City is operating effectively, efficiently, and in compliance with applicable laws and regulations. The following internal control deficiencies were noted:

- ◆ Assets owned by the City, both capitalized and non-capitalized, are not being accounted for.
- ◆ Asset listings detailing basic information (description, serial number, location, date purchased, etc.) are not kept up to date.
- ◆ Documentation to support the expenditure of the City’s funds is not always properly maintained.
- ◆ Expenditures are being made without following the City’s processes for approving transactions and processing payments.
- ◆ A review of the minutes of the City Council’s meetings did not reflect that claims, requisitions, and demands are being submitted by the Clerk for the City Council’s approval.

Expenditures – Based on the results of testing expenditures made by the City, the following items were noted:

- ◆ The City Council is not properly executing contracts. The City’s Mayor is charged with executing all contracts on behalf of the City according to the *Code of Alabama 1975*, Section 11-43-83; however, the City Council’s president is executing contracts on behalf of the City.
- ◆ The City is not always expending the City’s funds for public purposes.
- ◆ The City awarded a public works contract to a contractor that is not licensed as a general contractor in the State of Alabama.
- ◆ The City expended in excess of \$15,000.00 for goods and services without bidding as required by the *Code of Alabama 1975*, Section 41-16-50, (commonly referred to as the Alabama Competitive Bid Law).
- ◆ The City had multiple instances of noncompliance with the Alabama Public Works Law as defined in Title 39 of the *Code of Alabama 1975*, including splitting projects to circumvent the Public Works requirements; noncompliance with provisions regarding emergency repairs; and noncompliance with advertising requirements.

Executive Summary

Discretionary Spending – Our review of the discretionary spending by the City Council and the Mayor revealed the following items:

- ◆ The City did not comply with its ordinances regarding the approval of discretionary expenditures made by Councilmembers and the Mayor.
- ◆ The City did not always expend public funds, even those considered “discretionary”, for public purposes.
- ◆ The City did not always expend funds from the Municipal Government Capital Improvement Fund for capital improvements as required by the *Code of Alabama 1975*, Section 11-66-6.

City of Selma Municipal Court/Magistrate’s Office – Our review of the City of Selma’s Municipal Court and Magistrate’s Office included a review of policies and procedures required to be in place, a review of the conditions of the Municipal Court/Magistrate’s Office, a test of case files and E-citations, and review of receipts and disbursements. Our review and testing revealed the following items:

- ◆ The City’s Municipal Court does not have written policies and procedures in place for internal controls over all court records and the responsibilities of court personnel as required by Rule 43 of the *Alabama Rules of Judicial Administration*.
- ◆ Case file documentation is not being properly accounted for or stored in the Magistrate’s Office of the City.
- ◆ Documentation of the Municipal Judge’s approval of a change in procedure at the City’s Municipal Court was not maintained.
- ◆ The review of E-Citations issued by the City’s Police Department revealed 15.5 percent of citations issued by officers from October 1, 2017 through September 30, 2018 and 31.3 percent of citations issued by officers from October 1, 2018 through August 20, 2019 were not sworn to under oath pursuant to Rule 19 of the *Alabama Rules of Judicial Administration* resulting in lost revenue for the City.
- ◆ A review of case files for the City’s Municipal Court indicated not all fines and court costs are being collected by the Court. A report generated as of August 20, 2019 listed 2,282 cases with balances due of \$514,792.45.
- ◆ Our review of case files revealed money collected by the Magistrate’s Office for payments on municipal court cases are not properly receipted, not deposited, and not posted to the defendant’s case.
- ◆ Our review of daily collections, deposits, and monthly disbursements revealed the City is not properly disbursing money collected by the City’s Municipal Court to agencies timely and is not properly reporting all revenues collected.

Executive Summary

We made the following recommendations for the findings noted above:

- ◆ Those charged with management of the City should implement internal control policies and procedures to ensure the City is operating effectively, efficiently and in compliance with applicable laws and regulations.
- ◆ The City Clerk should submit all claims, requisitions, and demands against the City to the City Council for their approval. After the claims, requisitions and demands are approved, they should be presented to the City Treasurer for payment.
- ◆ Contracts executed on behalf of the City should be executed in accordance with the *Code of Alabama 1975*, Section 11-43-83. Furthermore, contracts should be signed and dated by all parties and should be executed before work described in the contract is performed.
- ◆ The City should ensure public funds are expended for public purposes and payments made for goods and/or services are not made until after the goods and/or services are received by the City.
- ◆ When awarding contracts, the City Council should ensure contractors are licensed in the State of Alabama.
- ◆ The City should implement procedures to ensure that expenditures for goods and services involving \$15,000 or more are competitively bid and documentation is retained in accordance with the Alabama Competitive Bid Law.
- ◆ The City should ensure compliance with Title 39 of the *Code of Alabama 1975*, by not splitting projects to circumvent the Public Works requirements and by complying with provisions regarding emergency repairs and advertising requirements on public works projects.
- ◆ The City should comply with its ordinances regarding the approval of discretionary expenditures made by Councilmembers and the Mayor.
- ◆ The City should always expend public funds, even those considered “discretionary”, for public purposes.
- ◆ The City should always expend funds from the Municipal Government Capital Improvement Fund for capital improvements as required by the *Code of Alabama 1975*, Section 11-66-6.
- ◆ The City’s Municipal Court should establish written policies and procedures regarding minimum accounting requirements for municipal courts.
- ◆ The City’s Municipal Court and Magistrate should ensure case files under their jurisdiction are properly accounted for and stored.
- ◆ Documentation should be maintained to show a Municipal Judge’s approval for a change in procedures.
- ◆ Law enforcement officers issuing tickets should be more diligent in completing required information in the electronic ticket software. Additionally, law enforcement officers should acknowledge, under oath, the facts of tickets issued in order for the Municipal Court to process the ticket and collect the associated court costs and fines.

Executive Summary

- ◆ The City's Municipal Court and Magistrate should make every effort to collect all monies owed to the Court and follow-up on cases where payment plans have not been followed.
- ◆ Local officials should ensure receipts are issued for all money received by the City's Municipal Court in the Magistrate's Office; the amounts received are appropriately applied to a court case; and funds collected are deposited daily.
- ◆ The City should implement adequate internal control procedures to ensure all amounts collected by the Municipal Court are collected and disbursed in accordance with applicable laws and regulations.

For more information on the findings and recommendations, please see the accompanying report.

Report on the City of Selma
