

**Post-Audit Review 19-09:
City Court Clerk Collections**

August 2021

City Auditor

Stan Sewell, CPA, CGFM, CFE

Senior Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

August 26, 2021

To: Mayor Tim Kelly
City Council Members

Subject: Post-Audit Review of City Court Clerk Collections (Report #19-09)

Dear Mayor Kelly and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2020 City Court Clerk Collections report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. Agency citations were not submitted to City Court properly;
2. Opportunities exist to submit collections in a more timely manner; and
3. City Code needs updating to reflect the use of digital citations and issuance of citations by special officers.

The audit had six recommendations to improve efficiency and effectiveness of the collection process as well as ensure citations are presented to City Court properly. At the time of this Post-Audit Review, two recommendations were not implemented, two were partially implemented, and two were fully implemented. Recommendations partially implemented and not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
 Brent Goldberg, Chief of Staff
 Julia Bursch, Deputy Chief of Staff
 Daisy Madison, Chief Financial Officer
 Jennifer Collins, Deputy City Court Clerk
 Eric Tucker, Deputy Chief
 Rebecca Ross, Director of McKamey Animal Services
 Lee Towery, Board Chair of Animal Care Trust
 Judge Sherry Paty, City of Chattanooga
 Judge Russell Bean, City of Chattanooga
 Chris Anderson, Director of Innovation, Delivery & Performance
 Jim Arnette, TN Local Government Audit

RECOMMENDATIONS NOT IMPLEMENTED (2)

Recommendation	Actions Taken
<p>3 We recommended CPD lead an effort to update City Code to ensure the distribution, issuance, disposition, cancellation and audit of CPD citations are properly addressed, regardless of the format. The updated Code should ensure citations are monitored by someone other than CPD. The revision should include input from the City Court Clerk, in particular, to address the need for auditing the citations. Additionally, consideration should be given to the handling of non-traffic citations.</p>	<p>The City Code relating to CPD citations has not been updated. CPD has been working with the City Attorney's Office on this issue; however the City Attorney's Office has reassigned this code revision task to another attorney and this has slowed down the process.</p>
<p>6 We recommended Finance revise written collection procedures into a single policy and ensure they address state law requirements as well as address cash collection controls and current practices. We further recommended Finance ensure the supervisor verification of the collection report package is included as supporting documentation in Oracle.</p>	<p>Finance has not consolidated the two collection policies into one comprehensive document. The City's e-portal still shows two separate collection policies. A review of ten collection reports submitted in June 2021, found two reports had supervisor signatures as proof of review. The other eight collection report packages lacked any documented supervisor review.</p>

RECOMMENDATIONS PARTIALLY IMPLEMENTED (2)

Recommendation	Actions Taken
<p>1 We recommended CPD ensure procedures are followed as required to obtain approvals of voided citations and syncing of e-citation devices. CPD should ensure voided citations are approved and submitted to City Court Clerk Office for the judge to dismiss.</p>	<p>E-citations prior to 2021 have not been presented to the Judge for dismissal due to a technical issue between CPD and City Court software. The 2021 voided e-citations were manually entered into the City Court system and dismissed due to the lower volume of e-citations. E-citations prior to 2021 totaled approximately 200 and a program fix is in progress where the e-citations will be automatically uploaded from CPD to the City Court system. Once the voided e-citations are uploaded, the Judge will dismiss them. CPD has provided training to sergeants and lieutenants on how to identify devices that need syncing and directed them to inform their officers as needed.</p>
<p>5 We recommended the City Court Clerk lead an effort to study the feasibility of eliminating the use of paper warrants for court and migrate to the use of digital records. This would require the judge to issue a digital signature and judgment in the Incode system.</p>	<p>The City Court Clerk has contacted McKamey and ECD about migrating to digital citations. This would be the first step in moving towards digital records. There have also been discussions with the City Judges and IT about moving towards digital records.</p>

RECOMMENDATIONS FULLY IMPLEMENTED (2)

Recommendation	Actions Taken
2 We recommended McKamey develop and implement written procedures to address the distribution, issuing, voiding, and monitoring of citations. We further recommended, when an issued citation is voided, it should be approved by a McKamey supervisor and then provided to the City Judge for dismissal.	McKamey has developed and implemented a written policy on distribution, issuing, voiding and monitoring citations. They are providing the voided citations to the City Judge for dismissal. They are considering the idea of moving to digital citations and looking into a digital citation device similar to CPD.
4 We recommended the City Court Clerk ensure collections are submitted to the bank and Treasurer's office as required. We also recommended they implement a management review of collection report packages after preparation. This review should be someone in supervision as required by Finance's policy. Further, we recommended City Court Clerk's Office retain the cashier's Daily Balance as required by the City's Record and Information Management Policy. This can be accomplished by submitting the form with the collection report package to the Treasurer's Office.	The City Court Clerk's Office has instituted a management review of each collection report package as recommended. The supervisor who reviews the package is responsible for forwarding it to the Treasurer's Office. They are attaching the cashier's Daily Balance sheet to the daily collection report package. A review was made of recent collection report packages submitted to the Treasurer's Office. Each collection report package contained the cashier's Daily Balance sheet and was deposited to the bank within three days as required. However, one collection report was not submitted to the Treasurer's Office within the time required.

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