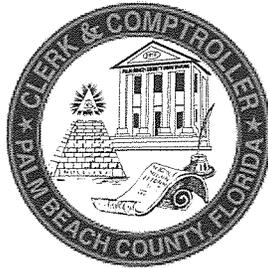


**CLERK & COMPTROLLER
PALM BEACH COUNTY
SOUTH COUNTY BRANCH OFFICE
COURT OPERATIONS**



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**Division of Inspector General
Audit Services Unit**

April 18, 2012



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The Honorable Sharon R. Bock, Esq.
Clerk & Comptroller

We conducted a review of the core functions of the South County Branch.

Our objectives were to evaluate the overall effectiveness and efficiency of the South County Branch and related internal controls, and verify compliance with pertinent laws and regulations as well as established policies.

Our review was neither designed nor intended to be a detailed study of every process, procedure, transaction or system in each area. Accordingly, the observations and recommendations included in this report are not all-inclusive.

The review identified various control weaknesses and opportunities to strengthen the South County Branch. For example, controls over cash recordkeeping and safeguarding required strengthening. Supervisory monitoring would be enhanced by more frequently generating, reviewing and ensuring resolution of exception reports. Process and monitoring improvement opportunities were identified in areas such as issuing voided receipts, documenting support when using the \$10 dismissal fee option, reviewing dismissed traffic cases with balances outstanding, and reviewing cases with waived fees and zero receipts.

As part of our review of the monitoring tools and techniques in place in South County, we obtained data and provided results for other Clerk locations. We encourage management to leverage the results of this review by implementing the recommendations in all Clerk locations.

We appreciate the cooperation of management and staff during the course of this review.

Respectfully submitted,

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Introduction

Background

The South County Branch is the largest of the Clerk's three branch offices. With the exception of Recording services, South County provides a full range of Clerk services. South County is responsible for a variety of functions and processes including customer service windows, creating and updating electronic and hard copy files of various civil and criminal cases, collecting payments, and providing documentation and court services to hearings and trials held in the Branch.

The Branch also operates a self service center from which customers can obtain legal forms and consultation with contracted attorneys. The Branch accepts passport applications and renewals, processes record searches, and accepts Recording documents and payments to be forwarded to the Main Courthouse for processing.

South County Branch employees use several automated applications, in addition to standard office applications, to assist in its work. The applications include the Banner Courts System for maintaining electronic case records, Batch Manager for recording and tracking documents accepted for docketing and imaging, Trakscan for imaging documents, and Q-flow for assigning customers to appropriate service windows. Implementation of a new courts management system (Showcase) is currently in progress, with the Criminal Court modules launched in February 2012.

The South County Branch is divided into two principal elements: Criminal Court Operations and Civil Court Operations.

- Criminal Court Operations is led by a Manager with two supervisors and 41 support staff.
- Civil Court Operations is led by a Manager with two supervisors and 31 support staff. One of the supervisors has been assigned to a project in the Main Courthouse since July 2010.

The South County Branch budget for FY 2011-2012 is \$4.6 million, with 96% allocated to departmental employee compensation and benefits.

Scope and Methodology

The Clerk's Audit Services Unit of the Division of Inspector General conducted a review of the core functions within the South County Branch.

The objectives of this audit were to obtain an understanding of the processes, evaluate the overall effectiveness and efficiency of processes and related internal controls, and verify compliance with pertinent laws and regulations as well as established internal policies and procedures. The initial risk assessment included Criminal and Civil Court Operations. Within our testing phase, the scope was limited to Criminal Court Operations.

More specifically, testing focused on the core South County Branch Criminal Court Operations processes including such areas as customer service, supervisory monitoring of Criminal Court activities, and cash handling (including mail payments). The scope excluded Civil Court Operations, with the exception of the cash handling processes. The scope also excluded the hard copy and electronic filing processes within Criminal Court Operations as significant changes were made with the implementation of the new court management system (Showcase).

In order to meet these objectives, we conducted interviews, reviewed departmental processes, performed a risk assessment of the areas under review, evaluated the internal control environment, and conducted sample testing of internal controls and transactions. Testing performed generally covered the period from January 1, 2010 through September 30, 2011. We performed other procedures that were deemed necessary under the circumstances.

Conclusion

The review by the Clerk's Audit Services Unit determined that the South County Criminal Operations staff process large workload volumes with a high degree of accuracy. Operations are impacted by reduced staffing levels and complexities within the Banner Court System. Various internal control weaknesses and opportunities to improve monitoring techniques and operating efficiencies were noted.

Specifically, controls over cash recordkeeping and safeguarding required strengthening. Supervisory monitoring would be enhanced by more frequently generating and reviewing exception reports, following up on exceptions and unusual activity, and documenting resolution. Process and monitoring improvement opportunities were identified in areas such as issuing voided receipts, documenting defendants provided valid support when using the \$10 dismissal fee option, reviewing dismissed traffic cases with balances outstanding, and reviewing cases with waived fees and zero receipts. Written procedures over certain processes were not prepared or did not reflect current practices. Also, video surveillance of the customer service area was limited.

As part of our review of the monitoring tools and techniques in place in South County, we obtained data from the other Clerk locations. Results are shared in the report where appropriate. We encourage management to leverage the results of this South County branch audit by considering and implementing the recommendations, when applicable, in all Clerk & Comptroller locations.

Review Team:

Alan Bray, Deputy Inspector General & Audit Manager
Michael Bodle, Senior Auditor

Observations & Recommendations

The review identified certain policies, procedures and practices that could be improved. The review was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the observations and recommendations presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Controls over cash recordkeeping and safeguarding require strengthening.

A prior audit of Operations Receipts Handling and Processing, issued on September 26, 2008, identified several control weaknesses over cash recordkeeping and safeguarding in the various Clerk & Comptroller locations. Management has taken numerous actions to address certain issues. This current audit of South County identified various control observations that had not been resolved.

Specific weaknesses previously reported are listed below, followed by the current status.

- Safe combinations are not changed periodically (e.g., annually) or when individuals with access leave the organization.
 - The Criminal and Civil managers and supervisors stated that the combinations for the safes used to store cash in the vault have not been changed in recent memory, certainly not on an annual basis.
- Access to the safe is not monitored as individuals entering the safe are not required to sign a log.
 - We observed the opening of the Civil safe once and the Criminal safe on two separate days. Access to either safe was not recorded in any log.
- No log was in place to record which employees were given access to the safe combination and key.
 - No such listing was in place in South County. During the audit, a listing was prepared, though it incorrectly indicated that one balancing clerk was

a safe combination holder rather than a key holder

- Differences were noted between court locations' witness fee funds and Clerk's Accounting records.
 - We reviewed the witness fee reimbursement requests from April through September 2011 and noted that the fund had been out of balance (short) since April 29, 2011 by amounts ranging from \$5 to \$67.64. The causes of the shortages were partly known, with three \$5 per diem payments to on-duty officers not entitled to fees while serving as witnesses. The shortage has largely stabilized, fluctuating between \$28.19 and \$28.23 in August and September of 2011.

Discussions with Clerk's Accounting indicated that witness fee fund shortages had not been replenished in 2011 on a quarterly basis as indicated by procedures due to staff turnover. We also noted that the form prescribed by Accounting procedures allowed some slight misinterpretation on a specific field (prior week's witness payroll) as to the total payroll amount not yet reimbursed.

The review also disclosed that signs were not posted at the South County visitor lobby or customer service windows encouraging customers to request receipts if not provided for their transactions. Receipts provide an important source of documentation to evidence the transaction and reduce the risk of cashiers diverting payments and not posting transactions into the system. In addition, cash reconciliations and deposit preparation take place in open cubicles without doors.

Recommendations:

- A. Change the safe combination on a periodic basis and when individuals no longer require access.
- B. Implement and maintain a log that is signed by both individuals when the safe is accessed.
- C. Implement and maintain a log that records each employee that has been provided the combination or key access. The log will also help identify alternates if the principal combination/key holder is absent at a time when the safe must be accessed.

- D. Ensure witness fee fund out-of-balance conditions are researched and documented.
- E. Clerk's Accounting should resume its schedule of quarterly reimbursement of witness fee shortages and publish a clarification of the proper usage of the witness fee payroll and reimbursement forms included in its procedures.
- F. Create and prominently post signage to encourage customers to obtain and request receipts for any payments made. Ensure signs are in appropriate languages, in addition to English, to effectively support the customer population utilizing the branch. Ensure signage includes examples of proper receipt formats to assist customers in recognizing valid (or invalid) receipts when presented.
- G. Utilize an alternate location to conduct individual cashier reconciliations and end-of-day closeouts that is more secure, preferably within an area in which a door can be closed.

Management Responses:

- A. The safe combination will be changed on an annual basis, whenever individuals with access no longer require access, or when an employee with access leaves the department / organization. The combination was changed by management prior to report issuance.
Target Completion Date: Completed
- B. A manual log has been created and is being utilized by all criminal and branch locations. The log contains the following information: name, date, and time cash drawer is taken out of the vault and returned to the vault. The log will also include the clerk's initials that have verified the drawers removed have been returned to the vault. The log will be maintained in the department for one year.
Target Completion Date: Completed
- C. A log been posted on each safe indicating who has key / combination access.
Target Completion Date: Completed
- D. Witness funds out of balance are currently researched and documented. A request to replenish will be initiated by the departments on a quarterly basis.

Target Completion Date: Completed

E. Clerk's Accounting concurs and implemented the recommendation accordingly by resuming their quarterly reimbursement schedule and sending notification to Court Operations. Operations will ensure that Accounting reimburses witness fee shortages on a quarterly basis.

F. Operations have requested that the Communications department provide signage in English, Spanish and Creole advising customers to wait for a receipt. When the signage is available, Operations will take the necessary steps to put it in place.

Target Completion Date: 4/30/12

G. Management has agreed to build cash out rooms in the Court Revenue Department and South County Branch by June 1, 2012. The West County Branch is currently undergoing reconstruction which will include a separate cash out room.

Target Completion Date: 6/1/12

2. Payments received on behalf of cases not yet recorded were not adequately controlled.

Customers who remit payments by mail to the Clerk's office do not always properly identify the purpose of the payment. In some instances, the payments are received before the related case has been established in the Banner Courts system and there is insufficient documentation accompanying the payment to allow creation of the case. Such payments are held in abeyance at South County and periodically reviewed to determine whether the underlying cases have been captured. Controls over such payments require improvement to ensure all are properly accounted for and ultimately recorded.

During testing, we inventoried 13 pending payments totaling \$1,874 as of October 7, 2011, which were received from July 15, 2011 through October 3, 2011.

- As of our follow-up on October 20th, 5 of the 13 cases had been docketed but the corresponding payments received previously had not been docketed. In

two of the five cases, driver's license suspensions (D6) had been recorded although the payment was on hand.

- Information provided by South County indicated that the remaining eight payments were all pending for valid reasons.
- We subsequently determined that these five payments were posted and docketed on October 25th.

A review of the process in place to follow up on these pending payments disclosed the following observations.

- A log or ongoing inventory was not maintained to track the pending payments on hand or final disposition of each payment.
- The pending payments were stored overnight in a vault within the evidence room.
- A cover sheet was included with the pending payments indicating the date of review and responsible person's initials. The cover sheet did not identify what items were reviewed or the disposition of specific items.
- A review of the cover sheet in 2011 confirmed that reviews were generally conducted weekly or at least every other week, though only one review was documented each in the months of May and June of 2011. As an inventory is not in place, we could not identify the number of pending payments during those months.

Recommendations:

- A. Develop an inventory log (e.g., Excel spreadsheet) to enable monitoring of payment receipt, review, posting, and nature of final disposition. This method of tracking would provide assurance that all payments received were recorded or otherwise appropriately disposed of.
- B. Conduct timely periodic reviews of the pending payments and document actions taken for each pending payment until ultimate disposition.

Management Responses:

- A. An inventory log has been created and is being utilized by all criminal and branch locations to track and review all incoming mail payments not processed on a daily basis.

Target Completion Date: Completed

- B. The inventory log is monitored on a daily basis by the department supervisor.
Target Completion Date: Completed

3. Opportunities exist to strengthen fraud monitoring and awareness.

Opportunities exist to strengthen fraud and misconduct monitoring techniques, tools and awareness. One of the most critical issues in preventing or detecting fraud or misconduct is the approach to anomalies noted during the course of business. Supervisors should be cognizant of potential fraud when monitoring performance and evaluating anomalies. Employees should be alert to the possibility of fraud or misconduct when customers question prior case actions.

We acknowledge that increasing transaction volumes and declining staffing levels in recent years have a major impact on the emphasis on production. Nonetheless, monitoring tools and awareness are important elements in minimizing fraud and misconduct.

During the audit, the following examples were noted that highlight the opportunities to improve monitoring tools and techniques.

- Opportunities exist to more frequently generate exception reports (e.g., dismissed cases with balances, waived fee/zero receipts, closed cases with open warrants, voids) and review items for supporting documentation and proper resolution.
- Certain clerks demonstrated a high rate of non-compliance in imaging proof of compliance when reducing fees for customers to settle citations issued for failure to carry valid license, registration or insurance. This is a red flag that defendants may have made full payment for the citation but the payment may have been diverted by the clerk.
- Clerks have DHSMV system access capabilities. Incidents have been identified in the past whereby employees reinstated driver's licenses without receiving

payment or not guilty filings. In March 2009, DHSMV discontinued the practice of sending monthly reports of reinstated licenses, which Criminal Court Services had sampled to ensure that related citations were satisfied in Banner Court system. South County management had agreed in a prior review to implement a monitoring practice to verify the accuracy and validity of reinstatements but this action is still pending.

- Opportunities exist to enhance the use of Batch Manager reports, which could be archived and analyzed to identify trends in case processing delays for appropriate follow up and resolution.
- Employees with multiple warnings of cash shortages and/or improper transaction handling may be involved in fraudulent schemes.
- A clerk assisted a customer, who provided a collection agreement that supported his claim of having paid \$200, incorrectly assumed the clerk who prepared the agreement simply made an error. The clerk circled the amounts on the collection agreement and wrote in the perceived “correct” amounts without notifying their supervisor.

Recommendations:

- A. Expand the use of periodic monitoring reports (e.g., dismissed cases with balances, waived fee/zero receipts, voids, reinstated driver’s licenses, Batch Manager). Formalize the process by documenting the: frequency of report generation, review procedures to perform, results and corrective actions, sign offs, and assessment of trends over time to identify areas of management attention and specific training needs.
- B. Enhance the training and awareness at all levels for considering potential fraud and misconduct by Clerk employees.

Management Responses:

- A. Monitoring reports are now run on a weekly basis by the department supervisor. Supervisors will also monitor supporting documentation to ensure that the issues identified are resolved properly. Weekly monitoring reports include dismissed cases with balances and waived fee/zero receipts. Voided receipts will be monitored on a daily basis by the Accounting Clerks. Since the

implementation of Showcase, Operations has been working with IT to create the monitoring reports for the Showcase system.

Target Completion Date: 5/31/12

- B. All staff and Supervisors will be provided enhanced training in order to be more aware of potential fraud and misconduct. Some of the changes planned include enhanced counterfeit bill devices and performing driver license reinstatements via the CCIS system rather than the DMV system. A key benefit to the switch to CCIS will be management's ability to audit driver license reinstatements on a periodic basis. Additionally, management will review policies and procedures with staff on routine intervals. New procedures will continue to be posted on the S drive; however, management will also e-mail procedures to staff when a procedure has been created/updated.

Target Completion Date: 4/30/12

- C. Batch Manager Reports are reviewed by the Criminal Courts Director on a weekly basis. When batches are identified that are outside the state reporting standard, an e-mail is sent to the appropriate department manager directing he/she to complete the pending batches. A follow-up e-mail communication is made to the department manager if a timely response/result is not received.

Target Completion Date: Completed

4. Reception clerks accept payments without providing receipts.

The reception clerk currently accepts non-cash payments if properly supported and received prior to the due date. Customers dropping off such payments cannot obtain receipts at that time and will only get receipts later by mail if requested. The payments are provided to customer service clerks for later docketing and receipting. Customers making cash payments or requesting immediate receipts must wait in line for a customer service clerk.

Accepting payments without providing receipts creates the vulnerability that payments may not be processed or recorded. Receipts provide an important documentation trail that the transaction is captured and monies are accounted for.

In addition, cash payments may be dropped off by customers and improperly accepted by reception clerks, which increases the risk that cash may be lost or stolen.

A recent investigation disclosed that a former South County employee accepted cash at the reception desk in at least one instance. While management has implemented a practice of not allowing cash payments to be dropped off at the reception desk, signage did not adequately communicate this to customers and there are no published policies or procedures prohibiting the reception clerk from accepting cash payments.

Recommendation:

- A. Prohibit reception clerks from accepting payments of any type (i.e., cash, check or money order). Require all customers with payments to be routed to the appropriate customer service window so that payments can be recorded and receipts provided.

Management Response:

- A. Reception clerks are prohibited from accepting any type of payment. Due to the high volume of customer transactions and long wait times at all of our locations that process criminal/traffic receipts, locked drop boxes have been provided for customers seeking to drop off a payment without waiting in long lines. Customers are advised that they should not place cash payments into the drop box.
Target Completion Date: Completed

5. Controls over issuing voided receipts require strengthening.

Controls over issuing, approving and processing voided receipts require strengthening.

Prior to 2011, the Criminal Court manager or one of the supervisors would go to the workstation of the clerk requesting the void and evaluate the transaction. If approved, the supervisor or manager would enter the void into the system using the

clerk's computer. This practice caused voids to be recorded into the Banner Courts System as docket entries attributable to the clerk.

Current practice requires clerks to bring void requests to a supervisor or manager, who then determine whether the customer is still at the service window and the reason for the void. If the void is warranted, the supervisor or manager creates, approves and docketed the void into the system using her or his own computer. The following observations were noted in the current practice.

- A simple, easily determinable, four character password was used by all personnel to approve voids. The same password has been in place since before the process change was implemented; therefore, most clerks likely know the password.
- In at least one case, documentation indicated that a prior employee knew the required password and processed the void on her own without approval.
- Written policies and procedures over processing void requests were not in place.

We extracted VOID docket code entries from the Banner Courts System from January 1, 2009 through September 22, 2011. For user IDs associated with the South County branch, the total of number of voids as well as the number and percentage of voids attributable to clerks without authority to process them is summarized below.

	Total Voids	Number Unauthorized	Percentage Unauthorized
2009	2,141	704	33%
2010	1,485	333	22%
9/22/11 YTD	1,960	127	6%

Unauthorized voids declined from 33% in 2009 to 6% as of September 22, 2011 YTD. The 127 unauthorized voids processed in 2011 YTD were attributed to 17 users. The decreased percentage of unauthorized voids demonstrates the effect of the change in practice in 2011. A significant percentage of the 2009 and 2010 unauthorized void classifications arose from supervisors or managers processing voids on the work stations of clerks not authorized to process voids.

In the current process, time constraints may result in supervisors and managers voiding transactions in their own work space without observing or confirming the

actual conditions with the customer. In one case, a void was authorized by the supervisor; the customer later supported their claim of having made full payment by bringing in their receipt copy. This indicates that not all copies of the receipt were collected before the void was authorized and, therefore, the void may not have been appropriate.

Recommendations:

- A. Strengthen the security of the password required to process voids to reduce its vulnerability for unauthorized use.
- B. Ensure managers, supervisors, and other authorized employees process voids at their own computers so that voids can be attributed to specific employees. Alternatively, issue unique passwords to each individual authorized to process voids.
- C. Obtain periodic system reports of voids processed and review for proper approval and justification.

Management Responses:

- A. In the new Showcase system, only supervisors and managers have system permissions to void transactions.
Target Completion Date: Completed
- B. Voids are processed at the workstation of the individual performing the void.
Target Completion Date: Completed
- C. Voids are reviewed on a daily basis by the Accounting Clerks.
Target Completion Date: Completed

6. The Clerk \$10 dismissal fee option is not consistently applied correctly.

Defendants given a citation for failure to present a valid license, registration or insurance card when requested during a traffic stop may provide documentation

within 30 days at the Clerk’s office to support its validity as of the citation date. In doing so, the defendant would pay a \$10 dismissal fee instead of the prescribed \$116 fee. We found that this dismissal option was not always handled in accordance with statutory requirements.

Beginning in 2010, Criminal Court Operations mandated that proof of compliance be imaged into Banner Courts to support the use of the \$10 dismissal fee. This mandate ensures valid documentation is presented. It also reduces the risk of a clerk entering simple docket text, preparing a \$10 receipt, and closing the case when the defendant actually may have admitted guilt and presented full payment to the clerk.

We extracted all Banner Court System cases in which the \$10 dismissal fee option was recorded from January 1, 2010 through September 15, 2011. System-wide, the DETC code (K012) representing the \$10 clerk dismissal fee was used 58,657 times during that period, of which 5,199 (8.9%) did not have a corresponding docket entry reflecting presentation of proof of compliance for imaging. As indicated in the table below, the percentage of cases lacking the required docket entry verifying proof of compliance varied by location, ranging from 4.2% in North County to 14.4% in West County. In addition, the error rates varied significantly by individual, ranging from 0.7% to 90% for those employees that processed at least 100 such cases.

	Total # Dismissed Fee Cases	# of Cases Lacking Proof	% of Cases Lacking Proof	Range of Individual % Error Rates
Main Circuit Criminal	3,714	391	10.5%	0.7% - 16.5%
Main County Criminal	19,442	2,182	11.2%	2.1% – 90.3%
North County	10,736	452	4.2%	2.7% – 10.1%
West County	3,638	523	14.4%	1.2% – 21.7%
South County	13,549	1,173	8.7%	2.6% - 26.7%
Gun Club & Misc.	7,578	478	6.3%	1.2% - 26.3%
Total	58,657	5,199	8.9%	

- South County users accounted for 13,549 of the dismissed fee cases (K012), of which 1,173 (8.7%) did not have docket entries verifying proof of compliance. Non-compliance varied significantly by employee. For the 20 South County branch users who processed more than 100 Clerk dismissal fee cases, we found the employees’ failure to image rate ranged from 2.6% to 26.7%.

- We selected a sample of 141 of the 1,173 cases processed by South County users with the highest error rates. All but 19 of the items in our sample were processed after the first quarter of 2010, at which time enforcement of the requirements was expected of Operations staff according to Louis Tomeo, Director of Criminal Court Operations.

- Further review of the 141 sample items failing to have imaged support disclosed that:
 - 59 cases (42%) involved cash payments;
 - 131 cases (93%) did not have the requisite proof of compliance either imaged or mentioned in any docket text in the electronic case files, while the remaining 10 cases had docket text entries only (no imaged document);
 - 19 cases (13%) indicated that the \$10 fee was accepted more than the allowable thirty days after the citation date; and,
 - 15 cases (11%) indicated that the dismissal fee option was exercised at supervisory discretion after the thirty day period expired without valid proof of compliance and payment on hand in cases where:
 - ✓ Invalid proof was submitted and no attempt to obtain valid proof was evidenced.
 - ✓ The only response of the defendant to the citation was after receiving notification of a pending suspension of driver's license.
 - ✓ Another branch initially involved in the case had notified the defendant that the full fines and fees were payable.
 - ✓ The supervisor of the Main Branch call center had already told the defendant that the dismissal fee option could not be used.
 - ✓ The citation was issued because the defendant never had a driver's license; thus, submission of valid proof of compliance was not allowable.
 - ✓ The defendant acknowledged (23 days after the D6) the pending license suspension by sending in valid proof and a \$129 check for the remaining costs plus the late fees. The check was returned to the defendant, with a note indicating that supervisory discretion was applied and the case was dismissed.

Recommendations:

- A. Reemphasize the need to image proof of compliance when used to permit payment of reduced fees. Provide targeted additional training to those

employees with unacceptable rates of failure.

- B. Reemphasize the limitation of the application of the Clerk's dismissal fee process to instances in which valid documentation and payment of the \$10 fee is provided within thirty days of the citation date.
- C. Consider implementing the recommendations noted above within the other Clerk locations (e.g., Main and other branches).

Management Responses:

- A. Management has reemphasized the need to image all proof of compliance paperwork when used to permit payment of reduced fees. Management will monitor the compliance reports on a weekly basis. This report is not available in Showcase as of yet. In the interim, the department managers are randomly reviewing a sample of cashier compliance citations via a Showcase report (that reflects the \$10 compliance receipt) to ensure that the proper proof was provided. The Showcase report will be completed.
Target Completion Date: 5/1/12
- B. Management has reiterated to staff that compliance citations eligible for the \$10 reduced fee are only available within 30 days from the date of citation issuance.
Target Completion Date: Completed
- C. Recommendations suggested in this report will be implemented throughout the Criminal and Branch Court Divisions.
Target Completion Date: Ongoing

7. Dismissed cases with balances are not adequately reviewed for validity.

Outstanding assessment balances are present on certain traffic citation cases (TR) that are dismissed either at hearings or by application of the Clerk dismissal fee option. The review and resolution process for such cases requires enhancement.

In March 2010, the IG issued a report regarding dismissed traffic cases in which we identified 261 South County cases with balances. South County agreed during the audit that balances on 92 of those cases should be removed. During this audit, we reviewed 16 of the 92 cases to determine if appropriate actions had been taken. We found balances had been removed from only 2 of 16 cases reviewed.

During our audit, we obtained a report summarizing the dismissed cases with balances, which is generated by South County on an as needed basis. The most recent report covered January 1, 2010 through July 28, 2011, which listed 51 TR cases with balances outstanding totaling \$2,183. The report indicated that 46 of 51 cases had been reviewed and corrective actions had been taken where deemed appropriate. Further review of the report disclosed the following observations that management should consider to more effectively utilize this monitoring tool.

- There is no date indicating when the report was produced.
- There is no date indicating when the report was reviewed.
- The report annotations (with only three exceptions) did not indicate what actions were taken on each case.
- The report annotations did not indicate who conducted the review or when.

We reviewed the actions taken by South County in the 46 cases above by reviewing Banner Court assessment balances for the cases reviewed. We found that three of the actions were in error. In two cases, small balances were left outstanding for no reason (\$10 in one case and \$2.50 in the other). In the third case, South County removed the outstanding \$10 balance while our review indicated that the balance should have been \$91 according to the court event form generated at the final hearing on the case.

We also conducted an independent review of dismissed cases with outstanding balances for South County. Using data extraction software, we identified 83 dismissed cases with balances within Banner Courts from January 1, 2010 through September 20, 2011. Our testing disclosed that 48 of the 83 cases had balances (totaling \$4,022.98) that should have been removed when the cases were dismissed.

- One case included an order to vacate the late fees and dismiss the case; instead, it was sent to collections one month later.
- Two cases had incorrect balances as the original assessments should have been removed when the cases were dismissed before sending the pending late fees and non-sufficient funds (NSF) fees to collections.

Recommendations:

- A. Generate periodic reports listing dismissed cases with balances within South County and perform a thorough review of the cases to ensure proper resolution. Management should:
- indicate the period of time and parameters used in generating the report;
 - review the cases thoroughly to ensure that erroneous dismissals and/or balances are noted, which may result in reestablishing fees on some cases,
 - remove balances when appropriate;
 - annotate the case review results on the report to clearly identify the type and date of actions taken and employee responsible; and,
 - identify any trends/or and root causes of deficiencies that may be used in planning future staff training opportunities.
- B. Consideration should be given to generating periodic reports listing dismissed cases with balances in the other Clerk locations and performing similar reviews as indicated above.

Management Responses:

- A. Dismissed cases with balances report will be reviewed on a weekly basis. A cover sheet has been created that provides the following information: date report run, report date range, reviewer and date reviewed. Reports will be maintained for one year. Operations are working with IT to develop this report for Showcase.
Target Completion Date: 5/4/12
- B. Generation of reports listing dismissed cases with balances will be reviewed in all Clerk locations. This report is in the process of being developed for Showcase.
Target Completion Date: 5/4/12
- C. With respect to the prior audit report issued in March 2010, the report was provided to a former Criminal Manager but was not transitioned to the current Manager for completion. Based on information provided here, the current Manager completed the report in December, 2011.
Target Completion Date: Completed

8. Opportunities exist to strengthen the benefit of waived fees and zero receipts reports.

Reports are generated periodically (approximately annually) by Court Operations that list cases with waived fees and zero receipts. Such reports act as monitoring tools to ensure that staff are only waiving fees and issuing zero receipts when appropriate and actions are properly supported. Our review disclosed that opportunities exist to strengthen the review process to enhance the value of these monitoring tools.

We obtained management's three reports on hand in August 2011 that included activity for: May and June of 2008, calendar year 2010, and May 11, 2011 year to date. Both the 2008 and 2010 reports had a column for notes indicating the review results. The 2011 report has only a remark "ok" next to 10 of the total 33 cases listed on the report.

The value of these monitoring reports could be enhanced by:

- indicating the time period covered by the report and the date prepared;
- documenting when the cases were reviewed and by whom;
- documenting any actions taken; and,
- notating why the waived fee and/or zero receipt code was used, not just marking "ok".

For example, our review of one zero receipt case in the 2011 report, marked as "ok" on the report, indicated that the case had initially been dismissed using the \$10 dismissal fee option. The day after the initial dismissal, the clerk docketed another payment (equating to original assessment) and used the zero receipt code to change the classification of the original \$10 payment. South County agreed that documentation did not justify overturning the dismissal or explain why the second payment was made and the zero receipt code used.

Recommendation:

- A. Enhance future waived fee and zero receipt reports by documenting key elements of the supervisory review process (e.g., period covered, date prepared, who and when reviewed, actions taken) to increase its value. Generate and

review reports on a specific periodic basis to correct cases and adjust staff practices as needed.

Management Response:

- A. The waived fee and zero receipt report will be run by the department supervisor on a weekly basis and maintained for one year. A cover sheet has been created that contains the period covered, date prepared, who and when reviewed and actions taken. This report is currently being developed for the Showcase system. Target Completion Date: 5/4/12

9. Written procedures have not been prepared or updated.

Written procedures were not in place in various areas within the South County Criminal Operations. Best practices in internal controls indicate that written procedures help ensure accuracy and consistency in the quality of work.

Opportunities to implement or update procedures were noted in the following areas:

- Handling and processing payments held in abeyance for cases not yet reflected in the Banner Courts system;
- Processing voided transactions;
- Responsibilities of the reception clerk and limitations on accepting payments;
- Adhering to provisions of applicable 15th Circuit Administrative Orders, including requirements for granting continuances in criminal traffic cases;
- Processing Clerk dismissal fee options only within the statutory time limits and ensuring requisite proof of compliance is imaged into the case management system; and,
- Supervisory review of identified exception reports on a specified recurring

basis and documentation of actions taken.

Recommendation:

- A. Prepare or update the procedures in the various areas noted above. Ensure that the procedures manual is updated and kept current on an ongoing basis.

Management Response:

- A. All locations share procedures located on the S: Drive, under County Criminal. Moreover, the Operations Training team in its preparation for the Showcase implementation has created procedures for all components of the new system. The procedures have been placed on the Sharepoint web site. This includes training manuals and tutorials. Additionally, each time a procedure is updated, an e-mail denoting same is forwarded to all appropriate staff. Further, staff will be provided refresher training for all new/revised procedures as needed.
Target Completion Date: Completed

10. Video surveillance of the customer service area is limited.

Video cameras targeting the customer service windows are set behind the clerks at a distance, which allows clerks to hide their actions with their bodies. In addition, a single video camera is in place to observe actions throughout the large South County waiting room and does not provide effective recording of the reception clerk's actions.

A review of the surveillance video during a recent investigation indicated that a former employee's body movements suggested that she was cognizant of the camera and purposely shifted her body to block the view of a cash transaction with a customer. While it may not be possible to improve the camera positioning, the current placement significantly limits the effectiveness of the surveillance system.

Recommendation:

- A. Determine and evaluate the cost of relocating the video surveillance equipment

to provide clearer views of clerk activities. If feasible, reposition the equipment to improve the utility and effectiveness of the system.

Management Response:

- A. Due to the upcoming organizational budget reduction of \$2.5 million dollars and the significant costs involved in relocating and adding surveillance equipment (\$25,000), it has been determined that this recommendation is not feasible.
Target Completion Date: Completed