

**Palm Beach County
Clerk & Comptroller's Office
Traffic Distribution Special Review**



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Audit Services Division
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The Honorable Sharon R. Bock, Esq.
Clerk & Comptroller

We conducted a limited-scope review of the Clerk's traffic distributions. The review was requested by Court Operations management.

Our objectives were to determine whether: distributions to traffic-related DETC codes were in accord with issued citations, Banner Court system distribution rules relating to traffic offenses were accurate, and assessments recorded for the distributions sampled were in accord with the Banner Court system assessment rules.

The review found that assessment and distribution inaccuracies were caused by clerical errors and incomplete information provided by law enforcement agencies. Also, opportunities existed to enhance training and re-evaluate partial payment policies and procedures.

The attached report includes observations and recommendations, followed by management responses.

We appreciate the cooperation of Court Operations management and staff during the course of this audit.

Respectfully submitted,

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INTRODUCTION

Background

Assessments and distributions are subject to provisions of Florida Statutes. For traffic, the most pertinent statutes include F.S. 316 - Motor Vehicle Operations, F.S. 318 - Disposition of Citations, and F.S. 28 - Distribution of Partial Payments. These statutes are interpreted in the Clerk's Assessment and Distribution of Fines, Forfeitures, Fees, and Costs manual. Distributions are processed monthly and reported in the monthly distributions report when marked final in Banner Courts.

Assessments and distributions are classified in the Banner Courts system using detail codes (referred to as DETC codes). The DETC codes uniquely identify a specific distribution to recipient entities for the portion of the fines, fees, and costs assessed in accord with Florida Statutes prescribing such allocations. DETC codes are established at the lowest level needed by the recipient entities to facilitate management reporting and analysis.

Court Operations management described a circumstance in which citations issued by municipality law enforcement agencies resulted in distributions to the Clerk for funds which should have been forwarded to municipalities in accord with Florida Statutes. Management had identified cases in which municipal law enforcement agency codes on citations and traffic cases did not always match the corresponding area codes (also known as jurisdiction codes) which identified the municipalities to which funds were distributed on collection. Court Operations management and the Clerk's Accounting Department identified all known instances in which this mismatch occurred between October 1, 2007 and June 30, 2008. Subsequently, an adjustment was processed to correct the inaccurate distributions and ensure municipalities received the funds due. Management had noted that the circumstance originated with the use of Trackscan to initiate cases within Banner Courts. Since that process began in June 2007, a subsequent adjustment was calculated, validated, and processed during the course of this review to cover the errors which had occurred from June through September of 2007.

Scope and Methodology

The Clerk & Comptroller's Audit Services Department conducted a management-requested, limited-scope review of traffic distributions. Court Operations management requested that we validate the distributions of funds collected for traffic offense fines, fees and costs. The distributions reviewed included all individual distributions to DETC codes which are or could be related to traffic offenses including moving violations, non-moving violations, misdemeanors, and felonies.

The objectives of the review were to:

- Determine whether distributions to traffic-related DETC codes are in accord with issued citations;
- Determine whether Banner Court system distribution rules related to traffic offenses are accurate;
- Determine whether assessments recorded for the distributions sampled are in accord with the Banner Court system assessment rules; and
- Identify root causes for any discrepancies noted.

In order to meet our objectives, we conducted interviews, reviewed Florida Statutes, reviewed policies and procedures, performed testing of transactions, conducted trend analyses, and performed other procedures that were deemed necessary under the circumstances.

We limited our testing to distributions recorded in May and June of 2008 within the Banner Courts system reports, which included 1,050,021 distribution records totaling \$7,978,305 related to traffic offenses, as summarized below.

Traffic-Related DETC Code Distributions Categorized by Payee PIDM

<u>Payee</u>	<u>May 2008 Distributions</u>	<u>June 2008 Distributions</u>	<u>Two Month Total</u>
Clerk	\$1,696,500.98	\$1,641,274.56	\$3,337,775.54
County	\$794,706.76	\$772,244.98	\$1,566,951.74
Municipalities	\$247,294.90	\$261,226.51	\$508,521.41
State	\$1,232,534.11	\$1,216,229.17	\$2,448,763.28
School Board	\$54,809.75	\$53,985.40	\$108,795.15
Other	\$4,123.46	\$3,374.02	\$7,497.48
Total	<u>\$4,029,969.96</u>	<u>\$3,948,334.64</u>	<u>\$7,978,304.60</u>

We conducted testing of distributions from the overall population in these two months. In addition, we performed more focused testing of distributions related to DETC code FINE, partial payments, and municipalities with uniquely trending distribution amounts (e.g., higher than prior year, not aligned with related assessment trends).

For all distributions made to municipality jurisdiction codes in May and June of 2008, we verified that distributions were made only to those DETC codes that are appropriate for distribution to municipalities. We also verified that all distributions to municipality jurisdiction codes contained the relevant corresponding payee code to confirm that distributions made to municipalities were actually paid to the correct municipalities when processed.

Conclusion

Except for the Observations and Recommendations noted in this report, controls over the distributions of funds collected for traffic offense fines, fees and costs in Court Operations were generally adequate. Assessment and distribution inaccuracies were caused by clerical errors and incomplete information provided by law enforcement agencies. In addition, opportunities exist to enhance training and re-evaluate partial payment policies and procedures.

Review Team:

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OBSERVATIONS & RECOMMENDATIONS

The Clerk's review identified practices related to processing traffic distributions 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. Data entry and processing errors impacted the accuracy of assessments and subsequent distributions

Some assessment inaccuracies were caused by clerical errors and law enforcement agencies providing incomplete information. Errors may arise in subsequent distributions if the information is not corrected prior to the Clerk's receipt of payment.

Examples of the clerical errors noted included the following:

- A. Incorrect assessment rule forms were used at times when entering court-ordered assessments. For example, the moving violation form INF was used instead of the non-moving violation form NTV, and the form INF was used instead of a special moving violation form ISB. As a result, the assessment amounts were not correct for the violations involved.
- B. The moving violation line on the assessment rule form INF was incorrectly used at times for speeding violations. Rules for speeding violations include assessments for the Non-Game Wildlife Trust Fund. Use of the generic moving violation line prevented assessments and subsequent distributions to this fund.

- C. Partial payment fees assessed were sometimes included in the base fee on which collection agency fees were calculated, resulting in a higher fees paid to the collection agency.

Recommendation:

Emphasize the noted data entry and processing errors in future internal training sessions to minimize the risk of inaccurate assessments or distributions.

Management Responses:

- A. Regarding the incorrect use of assessment rule forms (refer to A and B above), this was a training issue. Staff has been re-trained to utilize the correct order assessing cost (OAC) in Banner for each charge. In addition, an OAC report has been created to identify when the incorrect OAC has been selected for each charge.

Target Completion Date: Completed

- B. Regarding the assessment of partial payment fees (refer to C above), this issue was addressed by no longer offering the partial payment fee option for new cases. New procedures were established for setting up a collection agreement using the Banner form CBAPPAY, which does not allow for any deviation from the priority and tier set-up.

Target Completion Date: Completed

2. Law enforcement agencies did not always provide complete citation information

Law enforcement agencies did not consistently complete citations, resulting in processing questions and distribution errors.

Examples of missing information included the following:

- A. The city field was at times blank on citations written by the Florida Highway Patrol (FHP), Palm Beach Sheriff's Office (PBSO), and other non-municipality law enforcement agencies. In such cases, Court Operations

relies upon the information provided and does not evaluate if any further research may identify the municipality name or code.

- B. Entries in the city field on citations did not always reflect the intended municipalities within the County. For example, agencies sometimes entered Palm Beach County, Palm Beach, or city code 54 (Jupiter) instead of the city name (Jupiter).

Recommendation:

Coordinate with law enforcement agencies to request greater emphasis on fully and accurately completing citations to facilitate distributions in accord with Florida Statutes.

Management Responses:

- A. Court Operations has scheduled ongoing meetings with law enforcement to review the fields in traffic citations and emphasize the importance of accurate information. The Palm Beach Sheriff's Office (PBSO) reported they have modified their software to ensure that the appropriate city code is recorded and is reflected on citations processed through hand-held computers.

Target Completion Date: Completed

- B. Trakscan software has been modified to provide functionality for the clerk to enter and save the appropriate city code. Further, a change control was implemented that provides a default to the correct city code, which is subsequently verified by the clerk who validates the information.

Target Completion Date: Completed

3. Opportunities exist to enhance partial payment processing

The current partial payment process is complex and manual-intensive, with limited system support. Partial payment fees and driver's license suspension fees (D6 fees) were sometimes listed as satisfied when initial small payments were made, even though distribution rules indicate that these fees should be

satisfied in priority order along with all other assessed fees. As a result, distributions to other DETC codes were inaccurately reduced.

Use of the CBAMPAY receipt form allows distributions to be entered for specific DETC codes in priority order as manually calculated by the clerk processing the receipt, up to the amount of the assessment for each DETC code. These manual distribution calculations are vulnerable to clerical error. As a result, distributions may not be aligned with priority levels prescribed by Florida Statutes.

The following observations were noted during testing:

- A. The CBAMPAY receipt form is intended for use in cases involving collections or payment of D6 fees. In several cases, the CBAMPAY form was used for other cases.
- B. Partial payment distributions were not always satisfied in the priority order prescribed by Florida Statutes and the Clerk's Assessment and Distribution of Fines, Forfeitures, Fees, and Costs manual, resulting in inaccurate distributions to some DETC codes.
- C. Partial payment fees are accepted either as a one-time \$25 fee for creating a payment plan or as a \$5 fee assessed for each month that a partial payment is received. The latter appears more cumbersome to administer and requires more complex rules for processing. Florida Statute FS 28.246 (4) states that the clerk shall accept partial payments, but it does not mandate use of the monthly fee option.
- D. Court Operations staff stated its practice is to fully distribute the \$12 D6 fee when processing a partial payment on a case using the CBAMPAY form, even when the partial payment was not sufficient to fully distribute monies to other priority level (1, 2, or 3) DETC codes.
- E. Court Operations staff also stated its practice is to fully distribute partial payment fees assessed on processing of the first partial payment on a case, even when the first payment was not sufficient to fully distribute monies to other priority level (1 or 2) DETC codes.
- F. The partial payment rules contained in the Assessments and Distributions Manual refer to payment of the \$5 monthly fee and assessment of the \$25 one-time fee. The rules state that the offender must pay the \$5 fee, which may be

currently interpreted by staff as to indicate full immediate distribution is required. Such distribution is not in accord with the Florida Statute FS 28.246.

Recommendations:

- A. Re-evaluate whether to continue the existing partial payment functionality and processing workflows, including the use of monthly partial payment fees and use of the receipt form CBAMPAY. Given the Banner Court system limitations and cumbersome nature in processing partial payments, consideration should be given to modifying the system or discontinuing the \$5 fee option. If continued use of the \$5 partial payment fee functionality and broad usage of the CBAMPAY form is desired, management should provide additional training to Court Operations staff to minimize the risk of calculation and distribution errors in the current process.
- B. Review practices regarding distributions to partial payment fees and D6 fees and determine whether they are in accord with the intent of Florida Statutes. If so, the policies should be codified in the Assessments and Distributions Manual and training guides. If not, the policies should be modified to be in accord with the Statutes. In either case, Court Operations management should provide specific training to clarify the \$5 partial payment fee and \$12 D6 fee distributions and ensure consistency of handling.

Management Responses:

- A. The partial payment fee is no longer offered for new cases. The new procedure for setting up a collection agreement uses the Banner form CBAPPAY, which does not allow for any deviation from the priority and tier set-up.
Target Completion Date: Completed
- B. Procedures have been revised. Staff utilizes CVATDIS when processing only the D-6 or any other late fees, which does not allow deviation from the DETC priorities.
Target Completion Date: Completed