



City of Chattanooga

Stan Sewell
Director

INTERNAL AUDIT
City Hall
Chattanooga, Tennessee 37402

Ron Littlefield
Mayor

January 10, 2008

Honorable Ron Littlefield
Mayor, City of Chattanooga
City Hall
Chattanooga, TN 37402

RE: Post Audit Review of Office of City Court Clerk Cash Collections, Audit 07-03

Dear Mayor Littlefield:

On June 22, 2007, the Internal Audit Division released an audit on the Office of City Court Clerk. We performed certain procedures, as enumerated below, with respect to activities of the Office of City Court Clerk Cash Collections in order to render a conclusion on the status of the recommendations made as a result of that audit.

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.

The conclusions of Audit 07-03 were:

1. Adequate written cash collection procedures are partially in place for the Office of City Court Clerk.
2. Receipts are being turned in to the Treasurer's office within the required 3 day period.
3. It appears that most cash collections are being properly accounted for.
4. Management is notifying the state of Tennessee of most unpaid citations on a regular basis. However, the unpaid item reports sent to the state contain errors and there is no management review of these items on a regular basis.

The audit contained eight (8) recommendations that addressed the audit's findings. Based on the review performed, we concluded that these eight (8) recommendations were not implemented.

Recommendations Not Implemented [8]

We recommended (**recommendation 1**) that the Office of City Court Clerk mail a copy of the receipt to each payer that makes a payment by mail.

We recommended (**recommendation 2**) that the Office of City Court Clerk retain all proper case documentation in order to be in compliance with TCA 16-18-310 and TCA 9-2-103.

We recommended (**recommendation 3**) that the Office of City Court Clerk establish written policies/procedures for the handling of all citations that are received (including provisions for reconciliation).

We recommended (**recommendation 4**) that the management of the Office of City Court Clerk work with IS to develop a weekly or monthly report that shows all dismissed items. We also recommended that Office of City Court Clerk management review and sign off on this report on a regular basis to ensure that only appropriate items are being dismissed. We also recommended that Office of City Court Clerk management include their review of dismissed items in their written policies/procedures for cash collections.

We recommended (**recommendation 5**) that the Office of City Court Clerk always notify the state when future traffic violations (that require state notification) are not paid.

We recommended (**recommendation 6**) that management document their review (on a regular basis) of the FTA, FTP, and conviction lists in order to ensure that Incode is identifying the appropriate items (that require state notification) and management is forwarding the appropriate items (that require state notification) to the Tennessee Department of Safety. We also recommended that management include their review of the FTA, FTP, and conviction lists in their written policies/procedures for cash collections.

We recommended (**recommendation 7**) that the Office of City Court Clerk management (with the help of IS and Incode) make an adjustment to their system so that non management personnel do not have the ability to make critical changes/edits/deletions to fines and judgments without prior management approval. We also recommended that management specify who has authority to make critical changes/edits/deletions to fines and judgments in their written policies/procedures for cash collections.

We recommended (**recommendation 8**) that management expand their current written policies/procedures to include all aspects of the cash collection process. We also recommended that each staff member be provided a copy of the expanded written policies/procedures once they are in place.

The Office of City Court Clerk has not yet implemented any of the recommendations from Audit 07-03. Management informed us that they are in the process of purchasing a system upgrade to Incode (Version 6.0) and they are waiting to obtain the new system prior to implementing the audit recommendations that are related to the Incode system. Management informed us that they plan to implement some of the recommendations that do not relate to Incode, although they have not implemented any of those recommendations at the time of this review.

We thank the management at the Office of City Court Clerk for their assistance in conducting this review. We will consider this report to be final unless directed to continue our review.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stan Sewell', with a long horizontal flourish extending to the right.

Stan Sewell, CPA, CGFM
Director of Internal Audit

cc: Dan Johnson, Chief of Staff
Ed Hammonds, City Court Clerk
Daisy Madison, City Finance Officer