




CITY AUDITOR'S OFFICE

To: Honorable Mayor and Council Members

Cc: Peter Zanoni, City Manager
Keith Selman, Assistant City Manager
Gilbert Hernandez, Director of Municipal Courts

From: Kimberly L. Houston, Interim City Auditor 

Date: April 7, 2020

Subject: AU18-F03 Municipal Court Administration, Fee Billing and Collection Follow-Up Report

As part of our annual audit plan, we conducted a follow-up of the AU16-001 Municipal Court Administration – Fee Billing and Collection audit dated September 11, 2017. The objective of the original audit was to determine whether adequate controls were in place for the billing and collection of fees. The report concluded that Municipal Court Administration had established an adequate system of internal controls; however, we recommended areas for improvement.

The original report made nineteen recommendations for improvement over eight areas to City executive and department management. The eight areas included: traceability of charging instruments (i.e. citations, arrest reports), numbering methodology for manual citations, Incode system access controls and system generated reports, review and update of court costs, fee schedules and default fee table parings, Texas Scofflaw implementation, and greater oversight over refunds.

Management accepted the recommendations from the original report and agreed to make appropriate changes in their processes and instructions.

On May 8, 2019 management indicated eighteen of nineteen recommendations have been implemented. We reviewed information submitted and determined fifteen recommendations were implemented or partially implemented. A subsequent follow-up will be performed later to reexamine newly implemented processes and determine the status of areas not reviewed. A complete list of recommendations and current statuses can be seen on page 2.

Management agrees (see appendix A) with the conclusions of this report, and we would like to commend them for their assistance during this process.

**AU18-F03 MUNICIPAL COURT ADMINISTRATION,
FEE BILLING AND COLLECTION FOLLOW-UP REPORT**

Issue No.	Recommendation/Corrective Action Plan	Management Assertion	Status
A. Accountability over Charging Instruments			
A.01 Traceability of Charging Instruments			
1	Did MCA ¹ develop and document procedures for tracking citations issued and transferred to MCA with consideration of regular review of charging instruments to identify missing, voided, or out-of-sequence records?	<i>Implemented</i>	<i>Implemented</i>
2	Did MCA develop and document procedures to timely communicate any exceptions discovered during reviews and follow through to resolution?	<i>Implemented</i>	<i>Not Implemented</i>
3	Did MCA develop and document the correct record retention schedule for the City? Are issued and voided citations retained according to record retention requirements?	<i>Implemented</i>	<i>Implemented</i>
4	Did MCA develop and document procedures to track citations delivered to MCA against citations keyed into Incode with consideration for identifying and notifying issuing departments should any documents go missing and contingency plans to recover them?	<i>Implemented</i>	<i>Partially Implemented</i>
5	Did MCA explore options to automate the reconciling of records added to Incode by discussing reporting features with the system vendor and recommend vendor consider such a feature in future system upgrades if such options are not readily available?	<i>Implemented</i>	<i>Implemented</i>
6	Did MCA discuss options with IT for obtaining record counts directly from the Incode System to alleviate manual processes?	<i>Implemented</i>	<i>Implemented</i>

¹ Municipal Courts Administration (MCA)

Issue No.	Recommendation/Corrective Action Plan	Management Assertion	Status
A.02 Manual Citation Numbers			
1	Did MCA Management explore options with Incode for recording pre-printed citation numbers from manual citations into Incode to ensure efficiency?	<i>Implemented</i>	<i>Implemented</i>
B. Incode General and Application Controls			
B.01 System Access, Segregation of Duties, and Access Levels			
1	Did MCA Management develop policy and procedures to add and remove user access in Incode?	<i>Implemented</i>	<i>Implemented</i>
2	Did MCA Management incorporate user group definitions that highlight significant functions the user groups can perform and identify incompatible duties in the system?	<i>Implemented</i>	<i>Not Implemented</i>
3	Did MCA Management segregate user access to prevent users from performing transactions that are incompatible with consideration for implementing measures to monitor user transactions when segregating user access is not possible?	<i>In Progress</i>	<i>Did Not Review</i>
4	Does MCA Management monitor activity for users with administrative rights?	<i>Implemented</i>	<i>Not Implemented</i>
B.02 System Generated Internal Control Reports			
1	In the absence of error logs, did MCA Management explore alternative measures to ensure any errors in citation data entry and deviations between customer payments and judgments are identified and corrected?	<i>Implemented</i>	<i>Implemented</i>
2	Did MCA Management explore Incode voided transaction reports as an internal control measure to ensure voids are performed or reviewed by authorized users, and contain proper content to justify the reason for the void?	<i>Implemented</i>	<i>Implemented</i>
B.03 Court Costs and Fees Schedule			
1	Did MCA Management develop and document policies and/or procedures to review and update all court costs and fees coded into Incode with consideration of periodic review of fees?	<i>Implemented</i>	<i>Implemented</i>

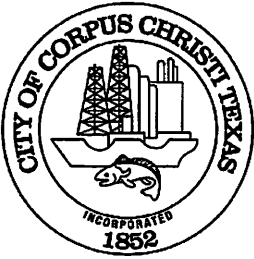
Issue No.	Recommendation/Corrective Action Plan	Management Assertion	Status
B.04 Offenses Paired to Default Fee Tables			
1	Did MCA Management develop and document policies and/or procedures to review and update default fee table groupings and pairings with offenses to ensure accuracy with consideration for periodic review?	<i>Implemented</i>	<i>Implemented</i>
C. Texas Scofflaw Program			
1	Did MCA Management implement the Texas Scofflaw Program to increase collection efforts on outstanding warrants?	<i>Implemented</i>	<i>Implemented</i>
D. Refund Process			
1	Did MCA Management develop and document policies and/or procedures for the request, review, and approval of refunds with consideration for defining which staff members are responsible for performing each step?	<i>Implemented</i>	<i>Implemented</i>
2	Did MCA Management develop and implement policy for the timely processing of refunds?	<i>Implemented</i>	<i>Implemented</i>
3	Did MCA Management develop and document policies and/or procedures to ensure thorough reviews of customer transactions are being reviewed prior to refund issuance to ensure outstanding balances do not exist prior to issuance?	<i>Implemented</i>	<i>Implemented</i>

Legend:	
<i>[Issue No.]</i>	City Executive management recommendation/corrective action plan
<i>Did not review</i>	Testwork was not conducted

Staff Acknowledgement(s)

Grayson Meyer, Senior Auditor

Brianna Annas, Auditor



Corpus Christi Municipal Court

120 N. Chaparral Street
Corpus Christi, Texas 78401

March 24, 2020

Kimberly Houston
Interim City Auditor
Corpus Christi, Texas

Re: AU18-F03 Municipal Court Department, Fee Collections Follow-up Report

Municipal Court Administration has reviewed the follow-up report and provided its comments below. As there are no recommendations for management, no responses are required.

The Municipal Court Administration has reviewed the follow-up report and fully agrees with the report. Below are responses to the areas not implemented.

Under A.01-2 recommendations to City Management, the Administration will continue to work with other departments on timely communicating exceptions discovered and follow through resolution. This requires all citation-issuing departments working together with the Court towards the desired outcome.


Under A.01-1 Recommendations to Department Management, the Administration will continue to work on providing reports to departments and requiring officers to provide reasons for missing citations.

Under B.01 2-4, although user access has been segregated by function, the Administration will work towards the implementation of procedures and monitoring users when user segregation is not possible and/or when users are assigned in other areas that require additional access.

Fully Agree


Do Not Agree

Sincerely,



Gilbert Hernandez,
Director of Municipal Court

3/24/2020
Date



Keith Selman
Assistant City Manager

3/24/2020
Date



Peter Zanoni
City Manager

4/3/2020
Date