



**A Report to the  
Audit Committee**

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**Deputy Mayor**  
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Steve Glover  
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**Audit of the Circuit Court Clerk's  
Metropolitan Citations Process**

October 9, 2013

Metropolitan  
Nashville  
Office of  
Internal Audit

## EXECUTIVE SUMMARY

October 9, 2013



### Why We Did This Audit

The audit was initiated to evaluate the controls and procedures for processing metropolitan citations and to follow-up on prior traffic citations process audit recommendations.

### What We Recommend

Agencies provide the Circuit Court Clerk documentation of the disposition for all Metropolitan citations within a book of citations received.

For more information on this or any of our reports, email [Mark.Swann@nashville.gov](mailto:Mark.Swann@nashville.gov)

# AUDIT OF THE CIRCUIT COURT CLERK'S METROPOLITAN CITATIONS PROCESS

## BACKGROUND

Metropolitan citations are processed by employees of the Traffic Violation Bureau within the Circuit Court Clerk. These citations are issued by various agencies in the Metropolitan Government for the violation of Metropolitan ordinances. Examples include illegal dumping, animals at large, high grass, using water without paying, open containers, alarm violations, and so forth.

## OBJECTIVES AND SCOPE

The objectives of the audit were to:

- Determine if controls and procedures were in place to manage processing of Metropolitan citations.
- Determine if prior audit recommendations for the traffic citations process audit had been implemented.

The audit scope included May 1, 2011, through April 30, 2013.

Number of Citations Issued by Agencies	4,528
Number of Citations Scanned by Traffic Violation Bureau	4,491
Amount Collected by Traffic Violation Bureau	\$54,919

*Source: Davidson County Office of the Circuit Court Clerk*

## WHAT WE FOUND

In general, the Circuit Court Clerk had controls in place to effectively manage Metropolitan citations received from various agencies. Agencies responsible for issuing Metropolitan citations need to be vigilant in accounting for all citations distributed to them by the Circuit Court Clerk, and promptly forward the complaint copy of issued citations to the Traffic Violation Bureau for processing. For the citation books used during the audit period, 240 (five percent) individual citations were not submitted to the Traffic Violation Bureau for processing.

Most of the previous audit recommendations for the traffic citation processes have been implemented. However, four of the recommendations were not implemented because a planned system revision had not yet been completed.

## GOVERNANCE

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Several agencies are authorized to issue Metropolitan citations for violation of Metropolitan Nashville ordinances. All Metropolitan citations are given a court date at the time the citation is issued, and a copy of these citations should be forwarded to the Traffic Violation Bureau of the Circuit Court Clerk for processing before the Environment Court hearing date. Scheduling court dates, maintaining the citation record, and collecting all fines and fees are among several of the various duties and functions of the Traffic Violation Bureau. There is one docket a week for the Environment Court on Wednesday afternoons. Codes violations are heard at 1:00 p.m. and all other violations are heard at 2:30 p.m. In order to satisfy a particular citation, the violator must take one of the following actions:

- Pay the fine and costs in full on or before the scheduled court date.
- Attend the scheduled court date listed on the bottom of the citation.

## OBJECTIVES AND CONCLUSIONS

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1. *Were controls in place to ensure the integrity of Metropolitan citation process?*

**Yes.** Controls were in place at the Traffic Violation Bureau to ensure the integrity of the Metropolitan citation process. However, Metropolitan citation issuing agencies should promptly submit all citations to Traffic Violation Bureau (see Observation A).

2. *Were revenue and disbursements for fees to other agencies real, complete, and properly recorded?*

**Yes.** Revenue and disbursements recorded by the Circuit Court Clerk for Metropolitan citations were real, complete, and properly recorded.

3. *Was revenue from Metropolitan citations deposited in the bank within one business day and recorded in the accounting system within two business days?*

**Yes.** Revenue from Metropolitan citations was deposited in the Circuit Court Clerk's bank account within one business day of receipt and recorded in their accounting system within two business days.

4. *Were cash receipts for Metropolitan citations properly secured?*

**Yes.** Cash receipts for Metropolitan citations were considered to be properly collected and safeguarded.

5. *Have the audit recommendations contained in the previous Circuit Court Clerk audit report dated June 18, 2010, been implemented?*

**Generally yes.** Out of 32 audit recommendations accepted or partially accepted by management in the June 18, 2010, audit report, four recommendations were not implemented. The open recommendations were considered not practical or cost effective in the current environment.

The Circuit Court Clerk has been developing a case management system since the last audit, which, when completed, should include necessary controls to satisfy these recommendations. These recommendations will remain open until a final solution has been successfully implemented. The Traffic Violation Bureau has implemented the following compensating controls until final implementation of the new system:

- Deleted transactions are periodically reviewed by management for probable cause.
- The Circuit Court Clerk Internal Auditor continually monitors transactions with tape errors.
- The Circuit Court Clerk Internal Auditor periodically reviews and verifies the validity of checks issued.

There is currently no practical means for the Traffic Violation Bureau to periodically determine the value of collectible citations other than a rough order of magnitude based on a sample grouping of citations.

## AUDIT OBSERVATIONS

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### ***Observation A: Accountability for citations needs improvement.***

Out of 4,528 Metropolitan citations issued between May 1, 2011, and April 30, 2013, issuing agencies had not communicated the disposition of 240 citations (5 percent) to the Traffic Violation Bureau. A review of sequential numbers for citations, processed from Metropolitan citations books, indicated that some citations were not recorded in the Traffic Violation Bureau systems, indicating they were not returned by the issuing agency.

#### **Summary of Metropolitan Citations with Disposition Unknown within the Traffic Violation Bureau**

Issuing Agencies	Disposition Unknown
<b><i>Partially Reviewed With Agency</i></b>	
Metro Public Health Department <sup>1</sup>	148
Metropolitan Nashville Police Department <sup>2</sup>	71
<b><i>Not Reviewed With Agency</i></b>	
Public Works	9
Transportation Licensing Commission	5
Metro Water Services	4
Metropolitan Nashville Park Police	2
Codes and Building Safety	1
<b>Total</b>	<b>240</b>

**Source:** Citation list provided by Metropolitan Nashville Police Department

<sup>1</sup> Metro Public Health Department identified 18 citations that had not been turned into the Traffic Violation Bureau.

<sup>2</sup> Metropolitan Nashville Police Department destroyed 23 citations in accordance with their policy for employees to ensure that all discarded departmental files are appropriately disposed of to ensure the contents of such files are not accessible to unauthorized parties (e.g. copies of arrest reports, mug shots, offense reports, citations, worksheets, or any other departmental record that may contain sensitive or personal information of MNPD employees, victims, or suspects).

*Recommendation for management of agencies issuing Metropolitan citations to:*

1. Account for all citations by presenting the blue complaint citation copy to the Traffic Violation Bureau for all issued and voided citations, within a book of Metropolitan citations, within five business days.

*Recommendation for management of the Circuit Clerk Office to:*

2. Semi-annually review citation numbers for missing citations within books of Metropolitan citations used by issuing agencies and communicate missing citation numbers to the management of the responsible agency to research the whereabouts of the citation in question.

## **GOVERNMENT AUDITING STANDARDS COMPLIANCE**

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We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

## **METHODOLOGY**

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To accomplish our audit objectives, we performed the following steps:

- Interviewed key personnel within the Circuit Court Clerk's Office.
- Reviewed and analyzed documentation for compliance with the Tennessee Code Annotated, Metropolitan Nashville Code of Laws, and other applicable laws, regulations, and policies.
- Evaluated internal controls currently in place.
- Reviewed sample selections to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.
- Considered information technology risks.

## **AUDIT TEAM**

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Mark Swann, CPA, CIA, CISA, Metropolitan Auditor  
Qian Yuan, CISA, Project Quality Assurance  
Jack Henry, CPA, CGFM, In-Charge Auditor

*Davidson County*

P.O. Box 196303  
Nashville, Tennessee 37219-6303



**RICHARD R. ROOKER**

CIRCUIT COURT CLERK  
1 PUBLIC SQUARE, ROOM 302  
615-862-5181  
CIRCUITCLERK.NASHVILLE.GOV

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September 26, 2013

Mr. Mark Swann, Metropolitan Auditor  
Office of Internal Audit  
222 – 3<sup>rd</sup> Avenue N., Ste. 401  
Nashville, TN 37201

Re: Audit of the Circuit Court Clerk's Metropolitan Citations Process

Dear Mr. Swann:

This letter acknowledges receipt of the report entitled Audit of the Circuit Court Clerk's Metropolitan Citations Process. The Circuit Court Clerk has evaluated the recommendations in the report and agrees to initiate recommendation A.2.

I would like to express my appreciation to you and your staff for your professionalism and quality of work your office demonstrated in the audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard R. Rooker".

Richard R. Rooker  
Circuit Court Clerk

RRR:rms

## APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches and we encourage them to do so when providing their response to our recommendations.

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<b>AUDIT OBSERVATIONS</b>		
<p><b>A.1</b> Management of agencies issuing Metropolitan citations to account for all citations by presenting the blue complaint citation copy to the Traffic Violation Bureau for all issued and voided citations, within a book of citations, within five business days.</p>	<p>The Metro Public Health Department, Metropolitan Nashville Police Department, Public Works, Transportation Licensing Commission, Metro Water Services, Metropolitan Nashville Park Police, and Codes and Building Safety departments were notified of the need to submit all citations to the Circuit Court Clerk’s Office.</p> <p><u>Metro Public Health Department</u> The Metro Animal Care and Control staff will now turn in all citations to the Traffic Violation Bureau no matter what the outcome. Officers will record the citation number/outcome in Chameleon.</p> <p><u>Metropolitan Nashville Police Department</u> While no specific problems were identified with respect to the unaccounted for (unissued) citations at the MNPDP or the prior accepted practice of destroying unused or damaged citations, the MNPDP has a policy change which is pending final review and issuance, that was developed in coordination with Traffic Violation Bureau.</p> <p><u>Public Works</u> Sometimes the citation book is missing a citation due to printing errors. Books will be reviewed for missing citations prior to receipt acknowledgement for Metropolitan citation books.</p> <p><u>Transportation Licensing Commission</u> The Transportation Licensing Commission is no longer issuing Metropolitan citations.</p> <p><u>Metro Water Services</u> Going forward, all written citations will be submitted to the Traffic Violation Bureau for</p>	<p>In Progress</p>

**APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN**

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
	<p>proper resolution.</p> <p><u>Department of Codes and Building Safety</u>            Department of Codes and Building Safety will verify that all written citations will be submitted to the Traffic Violations Bureau for proper resolutions. Responsible personnel in our department will be required to follow-up on any citations that occur. We strongly believe that by having the Circuit Clerk Office notify appropriate Codes' management of any missing citations will provide the department with a "checks and balance" procedure to ensure that all citations are accounted for.</p>	
<p><b>A.2</b> Management of the Circuit Clerk Office to semi-annually review citation numbers for missing citations within books of Metropolitan citations used by issuing agencies and communicate missing citation numbers to the management of the responsible agency to research the whereabouts of the citations in question.</p>	<p><b>Agree.</b> The Circuit Court Clerk's Office will take the initiative to run a Gap Analysis Report every six months and notify the issuing agent of missing citations. In eighteen months, the Clerk's Office will measure the effectiveness of the Agencies response versus the resources spent to determine whether to continue the process.</p>	<p>In Progress</p>