



**A Report to the
Audit Committee**

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**Audit Recommendations Follow-up –
Audit of General Sessions Court
Traffic School**

January 11, 2023

Metropolitan
Nashville
Office of
Internal Audit

EXECUTIVE SUMMARY

January 11, 2023



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of August 31, 2022.

What We Recommend

Management should continue efforts to implement the two remaining recommendations that are partially resolved.

Audit Recommendations Follow-Up - Audit of General Sessions Court Traffic School

BACKGROUND

On December 18, 2018, the Metropolitan Nashville Office of Internal Audit issued an audit report on Metropolitan Nashville General Sessions Court Traffic School. The audit scope for this engagement was between July 1, 2015, and June 30, 2018. The audit report included ten recommendations. All recommendations were accepted by management. The Office of Internal Audit guidelines require monitoring and follow-up to ensure that the recommendations assessed as high or medium risk are appropriately considered, effectively implemented, and yield intended results.

The Office of Internal Audit engaged Kraft CPAs PLLC to perform the original audit in December 2018. However, follow-up procedures were performed by the Office of Internal Audit.

OBJECTIVES AND SCOPE

The objectives of this follow-up audit were to determine if the recommended actions or an acceptable alternative were implemented.

The scope of the follow-up audit included all ten accepted recommendations that management reported as implemented.

WHAT WE FOUND

Of the initial ten recommendations made, General Sessions Court fully implemented eight recommendations and partially implemented two recommendations. Processes related to the two open recommendations were implemented as of the report date. However, more time needs to pass to ascertain if the implementation is working as management intends.

Follow-up procedures related to the two partially implemented recommendations will be scheduled at a future date. Details of the implementation statuses can be seen in **Appendix A**.

AUDIT FOLLOW-UP RESULTS

The initial audit report encompassed the processes surrounding revenues and expenses, fee waivers, and compliance with laws and regulations for the period between July 1, 2015, and June 30, 2018. The audit report included ten recommendations all of which were accepted by management for implementation.

The Office of Internal Audit will close a recommendation only for one of the following reasons:

- The recommendation was effectively implemented.
- An alternative action was taken that achieved the intended results.
- Circumstances have so changed that the recommendation is no longer valid.
- The recommendation was not implemented despite the use of all feasible strategies or due to lack of resources. When a recommendation is closed for these reasons, a judgment is made on whether the objectives are significant enough to be pursued later in another assignment.

The scope of the follow-up audit included all ten accepted recommendations that management reported as implemented. Of the ten accepted recommendations, eight were fully implemented, and two were partially implemented. Details of the implementation status and updated implementation dates, if applicable, can be seen in **Appendix A**.

METHODOLOGY

To achieve the audit objectives, we performed the following steps:

- Interviewed key Traffic School staff with management.
- Performed onsite observations of cash collection procedures and security of receipts.
- Reviewed applicable policies and procedures.
- Tested a sample of fee waivers and reconciliations.

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.

AUDIT TEAM

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APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

The following table shows the guidelines followed to determine the status of implementation.

Table 1

Recommendation Implementation Status	
Implemented / Closed	The department or agency provided sufficient and appropriate evidence to support the implementation of all elements of the recommendation and the recommendation's implementation caused or significantly influenced the benefits achieved.
Partially Implemented / Open	The department or agency provided some evidence to support implementation progress but not of all elements of the recommendation were implemented.
Not Implemented or No Longer Implemented	The department or agency did not implement a recommendation because: a) of lack of resources; b) an alternative action was taken that achieved the intended results; c) circumstances have so changed that the recommendation is no longer valid.

The following are the audit recommendations for the General Sessions Traffic School made in the original audit report dated December 18, 2018, and the current implementation status of each recommendation based on our review of information and documents provided by the General Sessions Traffic School.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>A.1 At the time a fee waiver is granted by a Judge, a record (paper or electronic) of the authorized waiver should be created. This record should be separately routed to the individual responsible for performing daily payment reconciliations who should also be independent of the cashiering function.</p> <p>Assessed Risk Level: High</p>	<p>For civil cases, an entry is made in the electronic case management system (TVIS) when a judge issues a fee waiver. A written fee waiver form is generated and given to the party. The party presents a written fee waiver to the Traffic School cashier who verifies the waiver amount to the TVIS database to ensure the written fee waiver form. A person outside the cash collection process reconciles the fee waiver forms to the TVIS system as part of cash close out procedures.</p> <p>A review of eight judgmentally selected end-of-shift cashier reconciliations noted that the fee waivers submitted to cashiers agreed to amounts documented in the TVIS system. Daily reconciliations were being completed.</p>	<p>The fee waiver reconciliation process for Criminal Court waivers did not include a step to agree the waivers to the CJIS system. The number of waivers issued in Criminal Court are very few (4 out of approximately 11,500 in fiscal years 2020 and 2021). Steps are being taken to have a process that mirrors civil cases.</p>	<p>Partially Implemented</p>

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Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>A.2 Cashiers should have a method for validating a fee waiver presented in place of payment. For example, cashiers should only accept waivers with the original signature and cashiers should have an example of each judge’s signature to ensure the authenticity of the signature. Alternatively, the cashier could be provided access to an electronic log/record created at the time the fee waiver is granted.</p> <p>Assessed Risk Level: High</p>	<p>See Implementation Actions in A.1.</p>	<p>The fee waiver reconciliation process for Criminal Court waivers did not include a step to agree the waivers to the CJIS system. The number of waivers issued in Criminal Court are very few (4 out of approximately 11,500 in fiscal years 2020 and 2021). Steps are being taken to have a process that mirrors civil cases.</p>	<p>Partially Implemented</p>
<p>A.3 Re-evaluate the need to collect a \$20 rescheduling fee when a Traffic School attendee reschedules their appointment. If management determines that the fee should continue to be collected, policies and procedures should be developed detailing circumstances in which the fee can be waived and the required documentation that should be retained to support the waiver. Systematic controls should be considered that would automatically waive the fee based on defined parameters, and/or limit the ability to waive a fee to an authorized individual separate from the cashiering function.</p> <p>Assessed Risk Level: High</p>	<p>The General Sessions Traffic School evaluated the need to collect the \$20 rescheduling fee and concluded that collecting such a fee should continue.</p> <p>An examination of cashier documentation disclosed the transactions go through the same reconciliation processes as A.1 and A.2. Misappropriation of funds would require the transaction to be classified as fee waiver, which fall into the processes and reconciliations as listed in A.1 and A.2.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>B.1 Cashier drawers should remain locked at all times, and the key should remain with the cashier assigned to that station. The combination to the safe should be reset and only given to those responsible for the supervision of cashiers.</p> <p>Assessed Risk Level: High</p>	<p>Visual Inspection noted that cashier drawers were locked when not in use, and each cashier was assigned a specific drawer or station. Observed surveillance coverage noting the cashiering area and the closet containing the safe had adequate visual coverage.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>C.1 Each cashier should be assigned their own cash drawer. The cashier should be responsible for agreeing to opening and closing balances and recording any draws or transfers from their drawer. The ability to assign a cash drawer and perform an out-of-balance override should be limited to those in a cashier oversight role and independent of performing cashiering duties. OTS should be configured to retain an audit log each time an override is performed. The log should include who performed the override, the date, and the amount of the override.</p> <p>Assessed Risk Level: Medium</p>	<p>Visual inspection noted the cashier drawers were locked when not in use and each cashier was assigned a specific drawer.</p> <p>A review of documentation on eight dates noted the procedures required verifying opening and closing amounts and reconciling drawer transaction by tender type or as a fee waiver in the cashiering system. Personnel in a supervisory role are required to enter their assigned code for overrides and out-of-balance situations. The cashiering system would not allow a cashier to close a drawer at end of shift without a supervisor code being entered. The cashiering system reports overrides at the end of the day, and any override requires a unique supervisor code to close out the drawer in the system.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>D.1 The daily payment reconciliation process should be evaluated for effectiveness, and the process should be documented. The updated process should ensure that the reconciliation is performed by someone independent of the cashiering function, errors are identified and resolved, the reconciliation is reviewed for completeness and accuracy, evidence of review is documented, and employees are cross-trained to perform this process.</p> <p>Assessed Risk Level: Medium</p>	<p>Testing of end of day reconciliations noted personnel in a supervisory role proofed each cashier’s end of shift reconciliation as evidenced by the supervisor’s initials. A review of the Traffic School’s policies and procedures noted the updated process was documented. Interviews with personnel noted cashiers were familiar with the procedures and cross-trained.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>E.1 Processes should be documented in standard operating procedures and employees should be cross-trained to ensure key tasks could be completed in the absence of another employee.</p> <p>Assessed Risk Level: Medium</p>	<p>See Implementation Actions in D.1.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>F.1 User access should be reviewed and access granted based on the principle of least privilege based on job responsibilities. After the initial changes have been made, access to OTS should be reviewed on a periodic basis to ensure only appropriate individuals have access to the system and their access is appropriate based on their role.</p> <p>Assessed Risk Level: Medium</p>	<p>Discussion with management noted Justice Information Systems staff advised implementation would require fundamental recoding, and thus not practiced due to expense.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>G.1 Update the approval tiers in EBS to only allow users to have approval authority in one tier to ensure dual approval occurs for all invoices. As EBS only requires two tiers of approval for a department and the Traffic School currently has three, management should consider removing the third tier to assist in achieving proper segregation of duties. Final approval should be completed by the department head.</p> <p>Assessed Risk Level: Low</p>	<p>Review of the Finance Officer’s computer screen while a mock transaction was processed noted only two tiers in the R12 accounting system- one for entry and one for approval.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>H.1 Consider using one timekeeping application rather than two. Using one application decreases the risk of incorrect time being entered when reconciling the two systems and enables the use of reporting from one system.</p> <p>Assessed Risk Level: Low</p>	<p>Management evaluated the functionality and decided not to implement.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>