



MIAMIBEACH

DEPARTMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Kathie G. Brooks, Interim City Manager
FROM: James J. Sutter, Internal Auditor

DATE: October 2, 2012
AUDIT: County Court Fines - Traffic Tickets
PERIOD: October 1, 2009 through July 31, 2011

This report is the result of a regularly scheduled audit to verify the processes and procedures involve in accounting for traffic citations, as well as receipt and accountability of related revenues.

INTRODUCTION

The Property and Evidence Unit (P.E.U.) of the Miami Beach Police Department is responsible for receiving and safeguarding all unused and unissued paper traffic violation citation books to be distributed to the patrol officers. They work as the issuing authority when distributing the citation books to the individual officers to be used on the field. Accordingly, they maintain and manage distribution logs in which the numerical sequences of the issued citation book(s) is recorded, along with the date, officer's name, signature and metro ID #. Once released, the issuing clerk initials the log as well. Although there are various categories of citations (Example: Taxicab citations, parking citations, etc.), this audit was focused mainly on the Uniform Traffic citations issued for moving violations (Traffic Tickets). Processes for other citations may slightly vary, depending on requirements and procedures established by the governing entity (Example: State, County, City, etc.), nonetheless, the overall controls and signing logs are maintained the same.

In addition, patrol officers can issue traffic citations through e-citation, an electronic system in which the citations can be electronically written and printed, using wireless portable equipment. In this case, electronic citation numbers are specifically issued by the Department of Highway Safety and Motor Vehicles (DHSMV), Bureau of Records. Citation numbers provided are unique and sequential in order to prevent duplication. The numbers are kept by an officer within the Patrol Division who is responsible for assigning electronic citation numbers to the individual officers who request them. Once an electronic citation sequence is issued, the patrol officer in charge scratch them off a log created to prevent issuing the same sequence to multiple officers.

Once citations are written and issued on the field, hard copies are deposited by the issuing officer into a drop-off box at the Records Division. The citations then get sorted daily, by date and citation numbers. The bar codes on the citations are scanned to add the citation to a database to which the statute violated and officer name is added. For each day scanned, a transmittal form is printed and wrapped around the citations, which are then send to the Clerk of the Courts for further processing. Once received by the Clerk of Courts, a copy of the transmittal is returned to the records division of the Police Department.

The billing, collection, and remittance activities are all performed by the Miami Dade Clerk of Courts. Once payments for citations are collected, funds received are allocated to various state-mandated categories and funds according to various sections of the State Statutes. The remainder is then divided according to Chapter 318, Section 318.21 of the Florida Statutes. City corresponding amounts are then submitted in the form of a check to the City's Finance

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Department for deposit and posting to the corresponding accounts within the general fund. The portions identified by the County relating to citations issued by the Parking Department are deposited into the Parking Fund. The following table illustrates the total number of traffic and parking citations issued by and submitted to the County Clerk of Courts by the Police Department, as well as amounts collected by the County Clerk of Courts and remitted to the City during the last three fiscal years:

Fiscal Year	# of Moving Traffic Citations	# of Police Issued Parking Citations	Total # of Citations Submitted	Amounts Collected & Remitted for Moving Traffic Citations	Amounts Collected & Remitted for Parking Citations	Total Amounts Collected & Remitted to the City
FY 09	47,086	20,693	67,779	\$ 778,023	\$ 319,005	\$1,097,028
FY 10	42,611	15,821	58,432	\$ 760,565	\$ 205,566	\$ 966,131
FY 11*	51,212	13,195	64,407	\$ 847,885	\$ 187,883	\$1,035,768
Totals	140,909	49,709	190,618	\$2,386,473	\$ 712,454	\$3,098,927

Notes(*): Numbers and amounts reflected for fiscal year 2011 were updated to reflect totals for the entire fiscal year despite having an audit period from Oct. 1, 2009 through Jul. 31, 2011.

Disclaimer: Numbers and amounts reflected on the above table have been provided for informational purposes only as there is no direct correlation between the number of citations submitted and total revenue collections as a result of different factors, which include, but are not limited to timing, whether a citation is dismissed or reduced in court etc.

Operations and controls for the processing and collection of traffic citations are maintained by the Miami-Dade Clerk of Courts. The testing and verification of internal controls was outside of this audit scope and therefore no testing or procedures were done to verify the adequacy and effectiveness of the County's Clerk of Courts internal controls, both in design and operation. Nonetheless, Internal Audit requested the results of the most recent audit performed by the Clerk of Courts Internal Audit team (report dated June 2, 2011 for the period covering January, 2008 through October, 2010), which did not noted any exceptions and/or weaknesses with respect to internal controls with respect to traffic fine dispositions or compliance to state statutes.

OVERALL OPINION

Traffic Citation revenues are being properly recorded and posted to the corresponding general ledger accounts upon receipt from the County. In addition, Internal Audit was able to verify that issued traffic citation books are properly recorded in a log sheet and maintained by the Property and Evidence Unit (P.E.U.). Likewise an electronic citation number log sheet is being kept by one of the Patrol Unit officers. However, some weaknesses and deficiencies were noted in need of correction. The following areas were noted as such:

1. Controls and/or documented standard operating procedures are not currently in place to ensure accountability of all traffic citations as required by F.S. 316.650 and established procedures from the Department of Highway Safety and Motor Vehicles (DHSMV).
2. Electronic information from citations issued by patrol officers using e-citation cannot be tracked or found once uploaded to the terminal computer, therefore, impeding the electronic transfer of the same to the County.

Additional details regarding these areas in need of corrective action and/or improvements can be found on the "Finding, Recommendations, and Responses" section on this report.

PURPOSE

The purpose of this audit is to verify compliance to State regulation, as well as City ordinances and policies and procedures governing Uniform Traffic Citations. To verify that adequate controls and documentation are in place to reasonably ensure the accountability, integrity, reliability, and accuracy of records pertaining to the same.

SCOPE

1. Confirm that there are updated and documented policies and procedures consistently followed to ensure accurate recording and processing of traffic violation citations submitted to the County and the fine fines received from the County.
2. Confirm that traffic violation citation related transactions are properly accounted for, economically and efficiently processed, reviewed, approved, adequately documented, and correctly recorded in accordance with administrative policies and procedures.
3. Confirm that the City is receiving sufficient supporting and substantiating documentation to provide verifiability and reconciliation of revenues received and amounts pending with respect to City records.
4. Verify that reconciliation of amounts received from the County and amounts reflected on City records are performed regularly.
5. Confirm the adequacy of internal controls with respect to limiting access to citations (issued and/or un-issued) to ensure accountability over the same, while preventing unauthorized and/or invalid voidance of citations issued.

FINDINGS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

1. Finding - *Controls and/or documented standard operating procedures are not currently in place to ensure accountability of all traffic citations as required by F.S. 316.650 and established procedures from the Department of Highway Safety and Motor Vehicles (DHSMV).*

Title XXIII, Chapter 316, Section 316.650(2) of the Florida Statutes states that "Courts, enforcement agencies, and the Department of Highway Safety and Motor Vehicles (DHSMV) are jointly responsible to account for all uniform traffic citations in accordance with rules and procedures promulgated by the Department of Highway Safety and Motor Vehicles".

Later, Section 316.650(4) states that "the chief administrative officer of every enforcement agency shall require the return to him or her of the officer-agency copy of every traffic citation issued by an officer under the chief's administrative officer's supervision to an alleged violator of any traffic law or ordinance and all copies of every traffic citation that has been spoiled or upon which any entry has been made and not issued to an alleged violator. In the case of a traffic enforcement agency that has an automated citation issuance system, the chief administrative officer shall require the return of all electronic traffic citation records".

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Moreover, Section 316.650(7) states that *“the chief administrative officer shall also maintain or cause to be maintained in connection with every traffic citation issued by an officer under his or her supervision a record of the disposition of the charge by the court or its traffic violations bureau in which the original or copy of the traffic citation or electronic citation was deposited”*.

To this extent, no controls and processes have been documented and in place to ensure compliance to the referenced sections of the State Statutes. In addition, no inventory system has been created to account for citation books in stock and on hand.

Although procedures currently followed have been traditionally exercised, no formal processes and operating procedures have been documented. For example: No procedures are documented for the receipt, storage, distribution and inventory of unissued citation books in stock. Although a log is created to keep track of issued citation books to be used by officers on the field, no processes and/or procedures have been documented assigning responsibilities and accountabilities for the same.

Another example is the issuance of citation numbers for electronic citations created using portable equipment. Although a patrol officer has been assigned to request and keep track of electronic citation number sequences issued by the Department of Highway Safety and Motor Vehicles, no policies and procedures exist to document the process and to identify alternatives should the officer in charge not be available. The same is observed with respect to procedures used to document voided and/or damaged citations.

Not properly documenting processes and operating procedures affect the consistency and continuity of current operations and therefore should be documented and distributed to all relevant personnel.

Recommendation(s)

Operating procedures should be created and implemented tailored towards compliance to state requirements including, but not limited to, a database where all returned valid citations for processing and voids can be compared and reconciled against distributed logs for better accountability. Proper procedures for void citations should also be documented to be consistently followed by all patrol officers. Moreover, operating procedures for the ordering, receipt, inventorying, distributing, returning, and accounting of all traffic citation books and electronic citations should be documented in order to be consistently followed by all personnel.

Furthermore, in order to maintain records of the charge disposition by the court, the department should request and explore the possibility and any related cost (if any) associated with receiving from the Clerk of Courts sufficient information and reports to satisfy such requirement (Ex: Money Balancing summary report, generated by the Accounting Department of the Clerk of Courts).

Management’s Response(s)

Miami Beach Police Department Standard Operating Procedure #127 titled “Traffic” addresses the issuance of traffic citations to a degree in section XI. The inventory system for the issuance of new traffic citations is not addressed in this SOP. However, there is a system in place which functions from the Property and Evidence Unit. This system will be documented in the SOP.

The suggestion of creating a database where all returned issued citations and voids can be compared and reconciled against un-used distributed logs will be explored. The suggestion of maintaining records of the charge disposition by the Clerk of the Courts will need to be explored.

Internal Audit Observation:

In 2008, the City entered into an agreement with New World Systems (NWS) to provide, install, and support an integrated Public Safety Dispatch and Records System. A separate automated citation system (e-citation), currently used by 56 patrol officers, was provided by a separate vendor (Advanced Public Safety) back in 2005. Currently these systems do not provide for an automatic accounting of tickets assigned to tickets issued. The Police Department is exploring the use of an additional third party vendor to replace the aging e-citation equipment and add new equipment for an additional 180 officers. This new system would be able to reconcile all returned issued citations and voids against the State's distribution logs.

2. Finding – *Electronic information from citations issued by patrol officers using e-citation cannot be tracked or found once uploaded to the City's terminal computer; therefore, impeding the electronic transfer of the same to the County.*

Patrol officers, particularly on the motorcycle unit, are equipped with portable equipment (a hand held and a compatible small portable printer) to write, store, and print traffic citations whenever on the field. Undocumented procedures would require for them to upload daily electronic citation information onto a terminal computer to store and generate electronic transmittals to be sent to the Clerk of Courts for further processing.

However, results from inquiries during our audit suggest that due to possible licensing limitations and possible software, equipment and/or technical limitations, uploaded electronic citation information cannot be found once uploaded onto the terminal computer. As a result, the officers continue to print a hard copy of the issued citation to be dropped along with hand written hard copies to be sorted by the records division and sent to the Clerk of Courts in batches, instead of submitting them electronically.

Nonetheless finding where is the electronic traffic citation information should be critical considering that personal/non-public information, such as date of birth, license plates, driver licenses and vehicle descriptions, form part of the information gathered when issuing a citation. In addition, it could be more efficient and cost effective to transmit electronic data to the Clerk of Courts, which would not require to be touched, unlike the hard copies, which have to be sorted and logged to a database.

Recommendation(s)

The Police Department should work with the Information Technology Department (I.T.) in order to find and ensure the safeguarding of electronic citation data uploaded onto the terminal computers. Proper controls should also be implemented to ensure the restriction and safeguarding of personal, sensitive, non-public information. In addition, once resolved, the possibility of using electronic traffic citations should be explored in order to maximize efficiencies and internal controls by reducing storage, capacity needed, as well as improving record keeping and available verifiable data.

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Management's Response(s)

We are now aware of the information you provided and we will look into a solution.

EXIT CONFERENCE

An exit meeting was held to discuss the audit report and to solicit management responses noted above. Attendees were Brian Sliman, Police Division Major, John Bambis, Police Division Major, Larry Bornstein, Police Captain, John Babcock, Police Records Manager, James Sutter, Internal Auditor and Fidel Miranda, Auditor. Management responses were received shortly thereafter. All were in agreement with the contents of this report.

Audit performed by Fidel Miranda, Auditor

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cc: Raymond Martinez, Chief of Police
Mark Overton, Assistant Chief of Police
Brian Sliman, Police Division Major