



Recorder's Court

September 30, 2019

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Executive Summary

The Office of Organizational Performance and Accountability (OOPA) has completed the review of the Recorder's Court. The objectives of the review included:

- Review data flows in system processes for cash receipts and disbursements
- Review controls in the cash receipting process
- Review performance requirements and Probation Services management

As part of OOPA's review, it was determined a bank reconciliation has not been performed since April 2018, and a liability reconciliation has not been performed.

These deficiencies in internal control are considered a material weakness based on the definition stated by the American Institute of Certified Public Accountants. In *Communicating Internal Control Related Matters Identified in an Audit*, in sub-section .07, the AICPA defines a material weakness as "a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis."¹

Findings, recommendations, and management responses and action plans are included after background information.

Scope and Methodology

In meeting our objectives, we performed the following procedures:

- Interviewed/discussed risks, issues, and processes with:
 - Timothy Neuman, Senior Internal Auditor for Chatham County
 - Jeannie Alday, Internal Audit Director for Chatham County
 - Buddy Clay, Recorder's Court Clerk of Court Administrator
 - David Maxwell, Chief Financial Officer
 - Jackie Turner, Applications Services Administrator
 - Kimberly Kendricks, Senior Systems Analyst
- Attended
 - (2) Training Sessions conducted by Tyler Technologies for Odyssey Financials
 - Chatham County Court Clerks Meeting of the Clerk of Courts prior to the Odyssey Training
- Reviewed:
 - Policies/Procedures including:
 - Financial management and cashiering procedures, FI-2016-004

¹ <https://www.aicpa.org/research/standards/auditattest/downloadabledocuments/au-c-00265.pdf>

- Odyssey check writing process
- Managing deposits in Odyssey
- Tyler Technology training documents, including:
 - Group Disbursements & Printing Checks
 - Basic Financials (Case Manager Training Material)
 - Advanced Financial (Case Manager Training Material)
- City of Savannah Recorder's Court bank statement for December 2018, and January 2019
- Forms, bank deposit slips, and statements relating to Recorder's Court
- Prior audit reports

- Observed/Tested:
 - The workflow for handling cash tills
 - Randomly selected and tested forty-two (42) January 2019 receipts for revenue distribution between City of Savannah and Chatham County

OOPA expresses their appreciation to the staff of Recorder's Court for their cooperation and assistance.

Background

In 1972, the Georgia General Assembly passed a constitutional amendment, ratified by the voters, which abolished the Recorder's Court of Chatham County and provided for the Recorder's Court of the City of Savannah to "succeed, replace and have the jurisdiction, powers and duties formerly possessed by the Recorder's Court of Chatham County". The court was then renamed the Recorder's Court of Chatham County. Law enforcement agencies operating within the unincorporated areas of the county and operating within the city limits of Savannah file cases with the court. The City of Savannah and Chatham County provide funding for the operation of the Recorder's Court of Chatham County.²

In 2017, the Georgia General Assembly approved amendments to existing law that revises the responsibilities of the chief judge, and provides for a court administrator and the responsibilities of the administrator. Along with other stated duties, the Court Administrator is responsible for the "day-to-day operations of the court", and reports to the city manager "so long as the city funds at least one-half of the court's operational costs."³

The court's mission: "The Recorder's Court is a criminal court of limited jurisdiction and provides plea hearings and bench trials for offenders charged with traffic misdemeanors and other state misdemeanor violations. The Recorder's Court also serves as a committal court, which provides preliminary hearings to establish probable cause to bind cases to the State Court and Superior court for trial. The court works closely with partners in the law

² City of Savannah Internal Audit Memorandum for the Record Report dated August 1, 2006, RE: Recorder's Court Fine Distribution; prepared by Erastus Gibson, Internal Auditor to Loretta Robinson, Audit Director

³ <http://www.legis.ga.gov/legislation/en-us/display/20172018/hb/572> and <http://www.legis.ga.gov/legislation/en-US/Display/20172018/SB/73>

enforcement community and the criminal justice system to ensure citizens and business in Savannah and Chatham County can live in and operate in safe neighborhoods and communities and enjoy a high quality of life.”⁴

For several years, the court used a City developed software system for case and financial management. An effort to use a single court software system on August 1, 2017, Recorder’s Court and other Chatham County courts began using the Odyssey Court Case Management System, a product of Tyler Technologies. As noted in the Summary End of Year 2018 Report for Recorder’s Court, certain challenges with Odyssey have been noted. These include “...difficulties with the financial management components of the software, particularly with the online payment portal. In addition, Odyssey business practices places a higher demand on Recorder’s court staff for criminal case initiation for traffic, misdemeanor, and felony cases. Recorder’s Court staff receive all jail booking documents, field arrest reports, bonds, and related case documents, which is scanned then made part of the digital record. These increased case management responsibilities for Recorder’s Court staff were not adequately anticipated and were largely underestimated as day-to-day requirements for court operations and staffing requirements.”⁵

Findings, Recommendations, Management Response and Action Plan

Below shows the results of the issue(s) identified during the review. Findings 1 and 2 are deficiencies in internal control and identified as material weaknesses.

Finding 1	Finance and OOPA have tried to perform the reconciliation to no avail. The bank statement balance has not been reconciled since the April 2018 statement. Recorder’s Court is checking cashier (cash & MO) deposits against Odyssey, but the credit card deposits (mainly online), which Finding 3 addresses, seems to be the issue.
Recommendation	Although some mitigating controls are in place, consideration should be given to employing third party assistance in completing the monthly bank reconciliations from April 2018 to present.
Management Agree	The Recorder’s Court Director agrees with the recommendation of OOPA. Note for the record that historically performing bank reconciliations has not been the responsibility of Recorder’s Court staff.
Management Action Plan	The Recorder’s Court Director will confer with the City Finance Director and OOPA to identify a third party to perform the bank reconciliations for prior months and a strategy for moving forward with future reconciliations.
Completion Date	10/31/19

⁴ Recorder’s Court of Chatham County, Summary Report, End of Year 2018; Buddy Clay, Clerk of Court for Recorder’s Court

⁵ Ibid, Clay, page 1.

Finding 2	OOPA prepared a liability reconciliation (draft) for the end of January 2019 using parts of a bank reconciliation (draft). The analysis shows an excess of cash over liabilities, however, since the bank statement has not been reconciled, conclusions about the analysis may be premature and incorrect.
Recommendation	Prepare a monthly liability reconciliation. Ideally, all revenue collected during the month should be distributed timely after month-end.
Management Agree	Management concurs with the OOPA recommendation
Management Action Plan	Ensure monthly bank reconciliations are performed timely and all disbursements to appropriate authorities i.e. city, county, law library, POA, and Clerk's Authority are timely.
Completion Date	12/31/19

Finding 3	OOPA tested three days in December, and found 19 online credit card payments and 1 cashier credit card payment that did not post to the Odyssey system. In January 2019, there were 10 credit card payment deposit differences. The credit card payment issue, mainly through the online payment portal, was noted in 2018 Recorder's Court Summary report.
Recommendation	Since some payments have not posted, some payments are posted more than once, and corrections to deposits are made throughout the current and following month, an accurate listing of these items is required to complete a bank reconciliation. Develop and maintain a detailed tracking report (worksheet) for all credit card deposit differences that identifies the specific items of the deposit difference, its' disposition, and corresponding dates.
Management Agree	Management agrees with the recommendation
Management Action Plan	Develop and implement suggested worksheet.
Completion Date	10/31/19

Finding 4	Tyler Technologies has not been able to fix the credit card Issues mentioned in finding 3. The Recorder's Court has requested the vendor to fix these issues, but the problems have continued.
Recommendation	Follow-up with the vendor and any other parties to resolve the credit card issues. Define accountability milestones and penalize as necessary.
Management Agree	Management agrees with the finding.
Management Action Plan	The Odyssey Project Manager and the Clerks of the various Courts meet weekly to discuss progress with the Odyssey implementation, which continues to be a work in progress. During 2018, we have implemented two version upgrades to the Odyssey software that have mitigated some of the performance issues. There has been a considerable decline in the incidents of credit card issues in recent months. The current Client Success Account Manager with Tyler for our project is on call and helpful to address issues as they occur. All of the Courts continue to experience performance issues and configuration challenges. The Clerks maintain the position that we withhold payment of invoicing for this project until critical performance issues are resolved. The five Clerks of the various Courts have agreed to withhold payment of \$331,000 for invoiced costs of Odyssey implementation; the City of Savannah is currently withholding payment of our share of \$165,000 (50% of the contracted implementation cost). In addition, the City of Savannah is withholding payment of Credit Card convenience fees in an amount exceeding \$80,000 until payment portal issues are resolved.
Completion Date	Will let OOPA know as soon as the date is known

Finding 5	<p>Traffic citations entered into the Odyssey system are manual. According to Recorder’s Court, “The standard for receiving and entering citations onto the docket in the past has been ten working days or less”. In addition, “the requirements of Odyssey, i.e. increased time required per citation entry, and the increased volume of filings it is difficult to meet a standard we should be reducing instead of increasing.”⁶ Below is the number of citations for 2017 and 2018 by agency.</p> <p style="text-align: center;">Citations Count by Year by Agency</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Agency</th> <th style="text-align: right;">Year 2017</th> <th style="text-align: right;">Year 2018</th> </tr> </thead> <tbody> <tr><td>Chatham County Police</td><td style="text-align: right;">3</td><td style="text-align: right;">2,395</td></tr> <tr><td>Chatham Sheriff Department</td><td style="text-align: right;">172</td><td style="text-align: right;">156</td></tr> <tr><td>Conversion</td><td style="text-align: right;">12</td><td></td></tr> <tr><td>Counter Narcotics Team</td><td style="text-align: right;">1</td><td></td></tr> <tr><td>Department of Motor Vehicles</td><td style="text-align: right;">26</td><td></td></tr> <tr><td>Department of Natural Resources</td><td style="text-align: right;">2</td><td></td></tr> <tr><td>Department of Transportation</td><td style="text-align: right;">12</td><td></td></tr> <tr><td>Georgia Department of Public Safety</td><td style="text-align: right;">3</td><td style="text-align: right;">245</td></tr> <tr><td>Georgia Ports Authority</td><td style="text-align: right;">773</td><td style="text-align: right;">572</td></tr> <tr><td>Georgia Public Service Commission</td><td style="text-align: right;">4</td><td style="text-align: right;">11</td></tr> <tr><td>GSU at ASU</td><td style="text-align: right;">1</td><td style="text-align: right;">49</td></tr> <tr><td>Georgia State Patrol</td><td style="text-align: right;">7,184</td><td style="text-align: right;">8,588</td></tr> <tr><td>Property Maintenance Division</td><td style="text-align: right;">5</td><td></td></tr> <tr><td>Savannah Airport</td><td style="text-align: right;">72</td><td style="text-align: right;">50</td></tr> <tr><td>Savannah Arson Unit</td><td></td><td style="text-align: right;">1</td></tr> <tr><td>Savannah Police</td><td style="text-align: right;">29,975</td><td style="text-align: right;">35,582</td></tr> <tr><td>Savannah State University</td><td style="text-align: right;">37</td><td style="text-align: right;">23</td></tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>38,282</u></td> <td style="text-align: right;"><u>47,672</u></td> </tr> </tbody> </table> <p>An electronic file can be received from Chatham County and Georgia State Patrol, instead of manually entering those citations into Odyssey.</p>	Agency	Year 2017	Year 2018	Chatham County Police	3	2,395	Chatham Sheriff Department	172	156	Conversion	12		Counter Narcotics Team	1		Department of Motor Vehicles	26		Department of Natural Resources	2		Department of Transportation	12		Georgia Department of Public Safety	3	245	Georgia Ports Authority	773	572	Georgia Public Service Commission	4	11	GSU at ASU	1	49	Georgia State Patrol	7,184	8,588	Property Maintenance Division	5		Savannah Airport	72	50	Savannah Arson Unit		1	Savannah Police	29,975	35,582	Savannah State University	37	23	Total	<u>38,282</u>	<u>47,672</u>
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Recommendation	Redesign the data entry process to accept e filing from all agencies with the capability of electronic submissions to increase efficiencies.																																																									
Management Agree	Management agrees that e ticketing is critical to ensure timely data entry for traffic citations.																																																									
Management Action Plan	The cost of software improvements to the Odyssey system for e ticketing will cost approximately \$40,000. This improvement will be funded from the Recorder’s Court Technology Fund.																																																									
Completion Date	October 31,2019																																																									

⁶ Ibid, Clay, page 2.

Finding 6	OOPA reviewed the current Recorder's Court cash handling and cashiering procedures manual. The manual references RC-NET procedures and processes.
Recommendation	Update the current Recorder's Court cash handling and cashiering procedures manual to include Odyssey processes, deleting references to RC-NET, and include details as necessary to ensure consistent application of those procedures.
Management Agree	Management agrees.
Management Action Plan	Cash handling procedure will be revised as recommended.
Completion Date	10/31/19

Finding 7	In the customer service area for receiving payments, a copy of a system-generated receipt is not available for customers to view. This enhances the control to ensure no manual receipts are presented to customers.
Recommendation	Post a copy of a system generated receipt in the cashier area to make customers aware they are to receive a receipt that looks like the one shown.
Management Agree	Management agrees.
Management Action Plan	Appropriate signs are posted in the cashier customer service area providing a facsimile of a computer generated receipt.
Completion Date	Completed

Finding 8	In the cashiering room, sealed plastic deposit bags containing the prior day's activity were placed on top of an open safe awaiting courier pickup.
Recommendation	At all times, keep deposits in a locked safe until needed.
Management Agree	Management agrees
Management Action Plan	Deposit bags are removed from the closed safe when the courier arrives for pickup.
Completion Date	Completed

Finding 9	Recorder's Court has receipt books for manual receipting.
Recommendation	Eliminate all manual receipting and remove manual receipt books.
Management Agree	Management agrees with explanation.
Management Action Plan	Management points out that there are many instances when we have had to hold court and process fine payments whenever there has been extended periods when our data systems are unavailable , for instance for one month last year during the malware incident. We experience short down times when the city or county systems are down while we are holding court. Temporary use of manual receipts is necessary during such times since we hold court all day every day of the week. It seems unwise not to plan for such events to allow defendants to pay fines while exiting court. Receipt books for manual receipting are securely stored in the Court Director's Office and assigned as needed to cahiers when the condition warrants use of them. Receipt books are retrieved from cashiers electronic receipting is restored.
Completion Date	Will comply as directed.