

## State Court Cashier's Department Audit-Management Response

### Finding 1 — Lack of Written Policies and Procedures

Recommendation: The State Court Cashier's Department should develop detailed written policies and procedures regarding cash handling which include internal controls for key functions. Establishing written policies and procedures is necessary to address internal control measures over cash handling for all employees to follow. The benefits of having written policies and procedures include providing accountability, ensuring consistency, and improving quality. In order to adequately implement policies and procedures, all employees should be made fully aware of the procedures and properly trained. In addition, there should be training so employees are aware of fraud policies and the importance of ethical behavior. Management should also monitor the implemented procedures on an on-going basis.

**Response:** Written policies and procedures are being written to correspond with the implementation of the new case management system, Odyssey.

### Finding 2 — Inadequate Controls for Cash Drawers

Recommendation: The State Court Cashier's Department should assign the cashier's their own cash drawers or explore the options of purchasing registers that can allow for automated controls, including the ability to have each cashier to sign on prior to use. In addition, the department could limit the number of employees with the authority to receive cash on a day to day basis.

**Response:** Implemented

### Finding 3— Delay in Reporting Cash Receipts

Recommendation: The State Court Cashier's Department should implement a procedure that will allow for the immediate recording of cash receipts. The procedure to record cash receipts should include documenting necessary information in order for the transaction to be reconciled to the Banner Web System as well as the daily cash collection.

**Response:** Implemented

### Finding 4— Lack of Segregation of Duties

Recommendation: We recommend that the State Court Cashier's Department implement adequate segregation of duties. These practices should include procedures to ensure that different individuals perform the following tasks:

- Receive cash
- Verify cash and prepare deposits
- Reconcile cash receipts to deposits and ledgers

- Authorize disbursements and transfers
- Follow-up on collection of returned checks

In addition, if adequate separation of duties is not feasible, State Court should ensure that sufficient compensating controls are implemented.

**Response:** Implemented

#### Finding 5 — Inadequate Controls for Transfers from Bank Accounts

Recommendation: Any transfers made between accounts should be properly documented and approved by the Chief Deputy Clerk. In addition, transfers should be performed by an individual who does not receive or record cash receipts.

**Response:** Implemented

#### Finding 6— Checks Not Endorsed Upon Receipt

Recommendation: State Court should implement a procedure that requires all checks received to be restrictively endorsed "For Deposit Only" upon receipt.

**Response:** Implemented

#### Finding 7— Recovery of Returned Checks Not Identified

Recommendation: The Cashier's Department should ensure that all amounts related to returned checks are recovered. In addition, they should consider discontinuing the acceptance of checks, utilizing a system of electronic debits for checks, or implementing strict non-sufficient funds procedures that include assessing NSF fees.

**Response:** Implemented

#### Finding 8- Use of Designated Funds for Returned Checks

Recommendation: State Court should discontinue this practice and ensure that all funds are utilized for its intended purpose. The fees related to returned checks should be charged to the customer responsible for the returned checks.

**Response:** Implemented

#### Finding 9— Solicitation of Goods during Work Hours

Recommendation: State Court should prohibit the solicitation of unauthorized goods or services occurring in the Cashier's Department. As of the completion of the audit, the solicitation and sale of goods has ceased.

**Response:** Implemented

Finding 10— Vault Not Properly Safeguarded

Recommendation: The Cashier's Department should ensure the vault is locked and secure at all times and keys and/or combinations are given to limited personnel. Combinations should be changed annually and after any staff changes.

**Response:** Implemented

Finding 11 — Checks Not Properly Safeguarded

Recommendation: In order to diminish the opportunity of theft, we recommend that State Court establish written policies and procedures that require the proper safeguarding of all blank and undeliverable checks. Any applicable federal, state, and local laws should be utilized as guidelines to establish the written policies and procedures, including the treatment of unclaimed finds.

Blank checks should be kept in a locked, immovable safe with restricted access while not in use. To ensure that all blank checks are accounted for, the current day's beginning and ending blank check number should be recorded and verified against the previous day's ending number and the following day's beginning blank check number. The blank checks should be in sequential order and the supervisor should be made aware of any discrepancy immediately.

Undeliverable checks should be kept in a locked, immovable safe with restricted access at all times. To deter the mishandling of undeliverable checks, a log should be kept of any undeliverable checks and the payee should sign the log at the time they receive the check acknowledging its receipt. The log should be reconciled to the undeliverable checks monthly. In addition, a supervisor should periodically reconcile the log against the undeliverable checks for verification.

**Response:** Implemented

Finding 12— Daily Cash Reconciliation Not Properly Documented

Recommendation: The State Court Cashier's Department should ensure all funds collected for a particular day are counted daily at the close of business. In addition, the department should perform a daily reconciliation that includes a Daily Cash Reconciliation Form. The forms should detail all pertinent information including total collections, cash denominations, amount of checks, and amount of credit cards. Furthermore, the forms should require a signoff for the count and signoff for the verification of the count.

**Response:** Implemented

Finding 13 —Lack of Reconciliation between Banner Web and Ledgers

Recommendation: State Court should ensure the collections reported in the Banner Web system are reconciled to the amounts reported in the Cashier's Department on a regular basis. All reconciliations should be reviewed and approved by management.

**Response:** Implemented

#### Finding 14 — Limited Capabilities of the Banner Web System

Recommendation: State Court should implement the necessary procedures to ensure adequate manual controls are implemented in order to increase the reliability of the reported data. All reports retrieved from the system should be thoroughly reviewed to ensure accuracy.

**Response:** In process, awaiting update in Odyssey, a web based system

#### Finding 15— Underreported GSP Motor Cycle Unit Fines

Recommendation: To reduce the rate of error and increase the accuracy of GSP Motor Cycle Unit fines, we recommend that all calculated fines be verified by a supervisor. Preferably, the State Court Cashier's Department employee should utilize Excel, instead of a calculator, to compute the fines and effectively identify and correct any inaccuracies.

**Response:** In Process, Odyssey automatically calculates fines and fees

#### Finding 16— Unstamped Traffic Receipts

Recommendation: In order to diminish the propensity for fraud, we recommend that State Court establish written policies and procedures that require all traffic receipts to be date stamped at the point of service.

**Response:** Implemented

#### Finding 17 — Underutilized Technology (i.e., Cash Register & Computer)

Recommendation: In order to substantiate the monies received by the State Court Cashier's Department and reduce the possibility of fraud, we recommend that State Court establish written policies and procedures that require all payments and voids be entered into the cash register and require all voids and adjustments to be approved by a supervisor. To decrease the risk for error, we recommend that all logs kept by the State Court Cashier's Department be prepared and calculated utilizing a computer software. In addition, staff should be encouraged to enroll and attend the free Excel courses offered by Fulton County's Training and Career Development Division.

**Response:** In process, Excel spreadsheets were immediately implemented replacing the handwritten ledger. Odyssey electronically tracks cases and monies received.

#### Finding 18— Acceptance and Filing of Cases with Partial Payment

Recommendation: In order to reduce the loss of revenue collected, we recommend that State Court establish written policies and procedures that require that all cases submitted with insufficient payment be immediately returned to the claimant with an enclosed uniform letter documenting the reason for its return. The State Court Cashier's Department should also keep a copy of the letter for their records. All "rush" filings should only be accepted with cash or a credit card payment. Furthermore, signs should be posted in a conspicuous location accessible to the general public or next to each cashier window that includes the following:

1. A statement regarding the methods of payment that the court accepts, such as but not limited to, cash, certified checks, money orders, or credit cards;
2. A statement that a receipt will be provided for every payment made in person to the court;
3. A statement that the receipt provided by the court is proof of payment; and
4. A statement regarding the court's dishonored payment policy.

**Response:** Implemented

#### Finding 19— Customer Service Issues

Recommendation: The State Court should ensure all services provided are at a level that meets or exceeds high quality customer service for the citizens of Fulton County.

**Response:** Implemented, Improve customer service with the Cashiers' department