TO: Ken Burke  
Clerk of the Circuit Court  
Ex Officio County Auditor

FROM: Hector Collazo, Jr., Director  
Audit Services  
Division of Inspector General

SUBJECT: Follow-Up Review to Audit of Clerk's Overall Collection Process

DATE: January 14, 2010

I am enclosing a copy of the follow-up review dated January 14, 2010 on the above-referenced audit.

cc: Jim Bennett, County Attorney  
Myriam Irizarry, Chief Deputy Director, Court and Operational Services Division  
Suzanne Mucklow, Executive Director, Court and Operational Services Division  
Hazel Bure, Director, Court and Operational Services Division  
Colleen Ford, Director, Court and Operational Services Division  
Claretha N. Harris, Chief Deputy Director, Finance Division  
Ernst & Young
Ken Burke
Clerk of the Circuit Court
Pinellas County, Florida

FOLLOW – UP REVIEW TO AUDIT OF CLERK'S OVERALL COLLECTION PROCESS

Audit Services
Division of Inspector General

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor

Hector Collazo, Jr., CFE, CFS, CISA, CIG
Director, Audit Services
Inspector General/Chief Audit Executive
Division of Inspector General

Audit Team
Ken Green – Senior Internal Auditor

JANUARY 14, 2010
REPORT NO. 2010-01

*Regulated by the State of Florida
January 14, 2009

The Honorable Ken Burke  
Clerk of the Circuit Court

We have conducted a follow-up review of our audit of the Clerk’s Overall Collection Process. The objectives of our review were to determine the implementation status of our previous recommendations.

Of the 17 recommendations contained in the audit report, we determined that 12 have been implemented, four have acceptable alternatives implemented and one has been partially implemented. The status of each recommendation is presented in this follow-up review.

We appreciate the cooperation shown by the staff of the Clerk’s offices during the course of this review.

Respectfully Submitted,

Hector Collazo, Jr., Director  
Audit Services, Division of Inspector General
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>Status of Recommendations</td>
<td>6</td>
</tr>
<tr>
<td>1. The Overall Court Collection Program Could Be Improved Through</td>
<td>6</td>
</tr>
<tr>
<td>Implementing Recommended Best Practices.</td>
<td></td>
</tr>
<tr>
<td>2. Collection Enforcement Tools Are Not Used To The Fullest Extent.</td>
<td>8</td>
</tr>
<tr>
<td>3. Deferred Payment Information Is Not Accurate In The Accounts</td>
<td>9</td>
</tr>
<tr>
<td>Receivable System.</td>
<td></td>
</tr>
<tr>
<td>4. Procedures For Collecting Outstanding Civil Receivables Need</td>
<td>10</td>
</tr>
<tr>
<td>Improvement.</td>
<td></td>
</tr>
<tr>
<td>5. There Are No Reports Or Procedures In Place To Monitor The</td>
<td>11</td>
</tr>
<tr>
<td>Success Of The Collection Agency.</td>
<td></td>
</tr>
<tr>
<td>6. Only The Easiest Cases To Collect Are Being Enforced Through</td>
<td>13</td>
</tr>
<tr>
<td>The Collection Agency.</td>
<td></td>
</tr>
<tr>
<td>7. Internal Controls Over The Collection Agency Are Not Adequate.</td>
<td>14</td>
</tr>
<tr>
<td>8. Some National Center For State Courts (NCSC) Recommendations</td>
<td>16</td>
</tr>
<tr>
<td>For Collection Agencies Were Not Included In The Contract Provisions.</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

Scope and Methodology

We conducted a follow-up review of our audit of the Clerk's Overall Collection Process. The purpose of our follow-up review is to determine the status of previous recommendations for improvement.

The purpose of the original audit was to:

1) Determine if the collection process is effective and in compliance with state law.
2) Determine if the collection enforcement efforts are efficient and effective.
3) Determine if the collection enforcement tools are used appropriately.

To determine the current status of our previous recommendations, we surveyed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the process of implementing the recommendations for improvement.

Our follow-up audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Principles and Standards for Offices of Inspector General, and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the month of November, 2009. The original audit period was October 1, 2004 through April 30, 2006. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

Of the 17 recommendations contained in the audit report, we determined that 12 have been implemented, four have acceptable alternatives implemented and one has been partially implemented. We commend management for implementation of most of our recommendations and continue to encourage management to fully implement the remaining recommendation.

Background

The Clerk's duties and responsibilities for court collections have been expanded under state law to include payment plans, collection enforcement and collection performance measures. These additional responsibilities have created a court collection program that actively pursues amounts owed to the court.
In July 2004, management instituted the Financial Obligation Commitment “Payment Plan Program” with the assistance of the Judiciary to promote its use. The Criminal Customer Service Department is currently responsible for running the collection program for Civil, Traffic, and Criminal cases. The Clerk attempts to collect these fines, fees, court costs and service charges during the initial 90-day period after they become due using standard collection practices. These Clerk’s practices include various measures allowed by law, including suspending drivers’ licenses and assessing delinquent fees for non-payment.

As of December 2004, the Pinellas County Clerk of the Circuit Court entered into a contract with a private law firm that specializes in the collection service of governmental delinquent fines, fees, court costs and service charges. After being 90 days delinquent, Florida Statutes allows the Clerk to send delinquent accounts to the collection agency. As of the audit, the collection agency enforcement was limited to delinquent receivables for Traffic and Criminal Traffic Court cases. Collection agency enforcement is currently expanding to include most other types of cases.

Under Section 28.35, Florida Statutes, the Florida Clerks of Court Operations Corporation (FLCCOC) was created as a public corporation organized to perform specified functions, such as developing performance measures. All Clerks of the Circuit Court are members of the corporation and hold their position and authority in an ex officio capacity. The executive council performs functions assigned by the corporation pursuant to the plan of operation approved by its members. The FLCCOC has developed and certified a uniform system of performance measures and applicable performance standards for court related functions. These measures and standards are designed to facilitate an objective determination of the performance of each Clerk in accordance with minimum standards for fiscal management, operational efficiency and effective collection of fines, fees, service charges and court costs.

The Florida Association of Court Clerks (FACC) has issued a Best Practices Policy titled “Payment Plans for the Collection of Court Fines, Fees and Service Charges” suggesting specific practices for the Clerks. In addition, the National Center for State Courts has also expressed their views and provided suggestions under the Court Topic “Collection of Fines and Court Costs.”

Management is considering a new Accounts Receivable (A/R) system to facilitate better collection processing, but does not have any timelines as to when this will occur. As of February 2006, the outstanding balance of court collections was in excess of $80 million.
STATUS OF RECOMMENDATIONS

This section reports our follow-up on actions taken by management on the Recommendations for Improvement in our original audit of the Clerk’s Overall Collection Process. The recommendations contained herein are those of the original audit, followed by the current status of the recommendations.

1. The Overall Court Collection Program Could Be Improved Through Implementing Recommended Best Practices.

The Court Collection Program has not set goals, developed adequate reporting or determined the effectiveness of collection enforcement tools being used. The Court Collection Program is working on the level of what is legally required rather than at a level of best practices. Section 28.35(1)(e), Florida Statutes, identifies FLCCOC’s responsibilities for developing and certifying a uniform system of performance measures and standards for Clerks throughout Florida. In our review, we found that these performance measures are used as required in budgeting and reporting.

In addition to what is legally required, the Florida Association of Court Clerks, through the Florida Legislature, has developed Best Practices Policy for Payment Plans for the Collection of Court Fines and Costs, Fees and Service Charges. In addition, the National Center for State Courts (NCSC) has established guidelines for the effective collection of Court Fines and Costs. Although these best practices and guidelines are not required, implementing additional ones should improve the Court Collection Process for Pinellas County.

As of February 2006, the total outstanding receivables were $80,437,028.46. We performed an analysis of overall collections for Fiscal Years 2004 and 2005 and through February 2006. Although the trend analysis reveals that overall collections are increasing, we found that lower performing receivables still represented 68% of outstanding accounts receivable. In accordance with FACC’s Best Practices, “Clerks should make full use of enforcement tools for collection provided by statute; collection agencies and drivers license suspensions, etc.” Pinellas County has not fully implemented the enforcement tools for sending all delinquent accounts to the collection agency. Pinellas County collection agency enforcement is currently limited to traffic infractions and criminal court traffic cases. Management plans to expand their collection agency enforcement to criminal cases, which are lower performing receivables. The collection program still has room to improve its performance. In this review, we compared Clerk’s procedures and practices to the FACC’s Best Practices and the NCSC’s guidelines for the collection of court fines and costs and found the following areas where the collection program could be improved:
A. Pinellas County's collection program does not include establishing goals, objectives and benchmarks to measure collection performance other than the annual reported collection benchmarks required by FLCCOC. Goals, objectives and benchmarks provide management with effective tools for measuring the success of the collection program while establishing guidelines for improvement. FACC's Best Practices include criteria for improving collection goals and measuring achievement. In addition, the FACC's Best Practices identify monitoring tools that are most effective for collection programs. The NCSC's Best Practices indicates that successful collection programs include goal setting and monitoring of performance. Management planning does not include reducing goals and objectives of the collection program to writing for a formal evaluation.

B. Management has not fully developed reporting capabilities to adequately monitor collections. Available reporting is limited to Collection Rates that is legally required for reporting performance measurements. FACC's Best Practices recommends using an Accounts Receivable System with aging data that reports on collection rates, compliance rates and outstanding amounts due. Reporting capabilities not available are aging, payment plan compliance rates and outstanding balances. Management needs adequate reporting to be able to monitor collections. In reviewing the current $80 million Account Receivable balance, management should know how much of that balance is under payment plans, how much has been deferred and how much has been turned over to the collection agency. Of course, management should also know how many cases are not complying with payment plans and how much is now delinquent. We are concerned that management is not performing sufficient monitoring for the effective collection of older delinquent receivables.

C. Drivers' licenses are not being suspended in felony cases. In addition, FACC's Best Practices addresses using the appropriate collection enforcement tools. We noted that Palm Beach County includes felony cases in their license suspension enforcement, whereas Pinellas County does not. It is Pinellas County's policy to merely place a judgment lien on all felony cases and apply no other enforcement tools. No further collection action is taken once a prisoner is released. As of February 2006, felony cases were about $39 million of the outstanding accounts receivable balance.

D. Management has not developed procedures to monitor the effectiveness of different collection enforcement tools. The following are examples of enforcement tools currently in use: collection agencies, suspension of driver's license, collection letters, phone calls, default court, etc. FACC's Best Practices recommends the use of enforcement tools that are most effective. Management should evaluate the cost versus benefits of each of the collection tools and emphasize those that have the greatest net benefit. Management has to initially establish the parameters for the collection tools and develop procedures to monitor their effectiveness. Management sets how many collection calls are made, how many letters are sent and how many days elapse before turning the case over to a collection agency. Procedures then need to be developed to monitor the results. To review the effectiveness of collection calls, staff would need to know if the calls made contact with the person, any commitment was obtained by the caller and did the call result
in collecting any money. Because management has not installed procedures to monitor how effective enforcement tools are, there is no way of determining if collection enforcement tools are working as intended and cost effective.

We Recommend management:

A. Establish goals, objectives and benchmarks that would be useful to improve the success of the Court Collection Program.

B. Develop comprehensive reporting for Accounts Receivable, including reporting of aged accounts receivable and compliance reporting of payment plan activity.

C. Suspend drivers' licenses in felony cases. The Clerk's Office should also utilize additional collection tools for judgment liens on felony cases where the defendant has been released from custody.

D. Install procedures to monitor the effectiveness of enforcement tools used and periodically modify them as needed to improve results.

Status:

A. Implemented. We determined that management is measuring collection performance and comparing this to benchmarks.

B. Implemented. Management has developed reporting capabilities, both internally and via the collection agency, to adequately monitor collections.

C. Implemented. Our review determined management now suspends drivers' licenses in felony cases.

D. Implemented. Based on our review of the documentation provided to us, we determined that management monitors the effectiveness of their enforcement tools.

2. Collection Enforcement Tools Are Not Used To The Fullest Extent.

In our review of delinquent payments, we found that cases with a deferred payment or a misdemeanor case were not always subject to license suspension and delinquency fees. In accordance with Section 322.245, Florida Statutes, a license may be suspended and a delinquency fee assessed for failure to pay any financial obligation in any other criminal case. Driver's license suspensions were previously only for traffic cases, but the statute was revised to cover criminal and misdemeanor offenses. FACF Best Practices suggest that Clerks make full use of enforcement tools for collections provided by statute, which include driver's license suspension and collection agencies. License suspension and delinquency fees as collection enforcement tools were not fully utilized.
Delinquent Deferred Payment cases are not subject to license suspension and delinquency fees unless they relate to a traffic violation. Delinquent Deferred Payment cases are brought back to court under a default calendar. Misdemeanor cases with delinquent amounts were not always subject to license suspension and delinquency fees. Delinquent misdemeanor cases are not usually brought back before the court.

In addition, we observed that only delinquent deferred payments for fines were sent to default court while other delinquent court costs were excluded. Other costs include investigation costs, attorney's fees, public defender fees, etc. Management procedures for processing the default calendar provide guidelines for not including these costs on the default calendar.

In our review, 13.33% of traffic and misdemeanor cases did not have license suspension enforcement applied and 26.67% did not have delinquency fees applied. This situation occurred because staff was not applying enforcement tools to non-traffic misdemeanor cases; thus, not fully using all enforcement tools permitted by law. Since the audit, management has installed procedures to include all delinquent fines and costs on misdemeanor cases as required by law. As of the audit, management had not begun to send delinquent misdemeanor cases to the collection agency.

We Recommend management review internal control procedures to ensure that collection procedures make full use of enforcement tools for collections as permitted by law. The procedures should cover all court costs to prevent collection efforts from stopping for partial payments.

Status:

An acceptable alternative was implemented. Management implemented a "monthly status report" of their various collection activities that they use as an internal control procedure.


In our review of default calendar scheduling for delinquent deferred payments, we noted concerns related to Deferred Payments in the Accounts Receivable system. Deferred Payments refer to the practice where the judiciary defers the payment of court fines and costs from within the next 10 days to a specific later date, usually three to six months. The court fines and costs are established in the Accounts Receivable system with a due date set by the court. If the payment is not received by the due date, the Deferred Payment is considered delinquent, and subject to additional collection measures.

A. We found several court costs that were entered in the Deferred Payment system with unusual or erroneous due dates. Due dates are used to generate reports of delinquent receivables, which requires accuracy in the Accounts Receivable system. This situation exists because management has not installed internal control procedures to detect and
correct unusual or erroneous due dates in the Deferred Payment system. During the audit, management submitted an IT request to generate an exception report to monitor unusual dates. If due dates are not properly entered in the system, delinquent receivables may not be flagged for collection enforcement. Internal controls should be in place to ensure the integrity of data input (due dates) used for delinquency reporting.

B. We also observed that the "Delinquent Deferred Payment" report had an excessive number of marked-off cases. Cases and costs normally exempted from default calendar scheduling were included on the "Delinquent Deferred Payment" report, and then marked-off; thus, causing inefficient processing procedures. According to management, the processing of this report takes one person an average of four working days to process each week. Assigned staff has to review a large number of items that are not needed to process the default calendar. These items include cases exempted by Clerk's policy (i.e., felony lien cases and costs other than fines and costs as ordered by the court). Since our audit, management has indicated to us that they have submitted an IT request to remove the unnecessary information from the "Delinquent Deferred Payment" report. According to management, this change will reduce processing time in half for default calendar scheduling.

**We Recommend** management:

A. Utilize an exception report to detect unusual due dates entered in the Deferred Payment system to ensure that all delinquent cases in the system are sufficiently monitored.

B. Revise the "Delinquent Deferred Payment" report to exclude delinquent receivables that are not required for default court calendarling.

**Status:**

A. An acceptable alternative was implemented. Management provided copies of requests for data processing service to ensure that all delinquent cases in the system are monitored.

B. Partially Implemented. Management states that, to date, they have excluded some of the delinquent receivables from the "Delinquent Deferred Payment" report that are not required for default court calendarling.

**4. Procedures For Collecting Outstanding Civil Receivables Need Improvement.**

The outstanding receivables for civil payment plans consist of cases where the person is determined to be indigent. The Clerk’s Office defers filing fees and any other fees associated with the filing of the case, and then establishes a payment plan for repayment of the fees. Civil filing fees may include the following: dissolution of marriage, name changes, Sheriff’s fees and probate matters for the assistance of the indigent public or incarcerated prisoners. A person must prove indigence prior to entering into a civil payment plan. Written Policies and
Procedures for the enforcement and monitoring of Civil Payment Plans are in place in accordance with legal requirements.

In February 2006, we observed “Deferred Payments” included in Civil Court outstanding receivables of $1.25 million. The report also included current assessments and collection of $382 and $1,703 respectively; thus, indicating very little collection activity.

The Clerk has not yet used the collection agency as an enforcement tool as allowed by law for Civil Court. Section 28.246(6), Florida Statutes, states:

“A clerk of court may pursue the collection of any fees, service charges, fines, court costs, and liens for the payment of attorney’s fees and costs pursuant to s. 938.29 which remain unpaid for 90 days or more, or refer the account to a private attorney who is a member in good standing of The Florida Bar or collection agent…”

In addition, the Civil Payment Plan (Financial Obligation Commitment Agreement) provides that delinquent accounts can be turned over to a collection agency for enforcement. In this situation, collection agency enforcement would be beneficial because large portions of the outstanding receivables are not under a payment plan. Prior to payment plan enforcement, management had not pursued collection of delinquent civil accounts through collection agency enforcement, but we have been informed they now have future plans to do so.

We Recommend management implement their plans to use collection agency enforcement on all delinquent civil cases.

Status:

Implemented. Management implemented the use of collection agency enforcement on all delinquent civil cases.

5. There Are No Reports Or Procedures In Place To Monitor The Success Of The Collection Agency.

The reports and procedures currently in place to monitor the success of the collection agency employed by the Clerk of the Court are non-existent and therefore ineffective. Management has not assigned overall or specific monitoring and control responsibility to appropriate areas within the organization.

The only reports used by management to monitor the success of the collection agency are two daily reports noting the agency's daily cash receipts; one from the collection agency and one generated by the County. These basic daily reports are not aggregated on a monthly or quarterly basis. We asked management to provide us with the total amount of court fines and costs that had been sent to their collection agency to date, and it took almost three weeks to
determine this data. The total amount sent for collection through September 11, 2006 was $10,843,731, and the total amount received was $382,304, or 3.5%.

It appears that management has not requested, or is not utilizing, any other reports available from its collection agency to monitor its success. Before securing its contract with the Clerk, the agency's October 4, 2004 proposal stated:

"We will establish a reporting schedule in the format and frequency desired and approved by the Clerk. The reports will include those such as receipts of placements, payment transmittals, and account closures. Our reports will include information on:

- Monthly Collection Analysis Report
  
  Number and dollar amount of receivables referred.
  Date of referral/return, age to resolution.
  Number of referrals currently working.
  Recovery rate of referred/returned receivables.
  Type of collection made according to type of debt.
  Repayment agreements effective at that time.

- Cancellation Report
  
  Number and dollar amount of receivables canceled.
  Uncollectible receivables with reasons why they were uncollectible.
  Bankruptcy or other codes/actions taken on accounts.

- Invoice Report
  
  Our total fee for that month."

While the Clerk's Office does receive the Invoice Report, it is not used as the basis for paying the collection agency fee. The daily receipt information is compiled to calculate the collection agency's monthly fee. The agency's proposal also stated that they "will also generate other ad hoc reports that the Clerk may require and provide them in whatever format it desires. A sample Collection Report has been included as Exhibit C." The agency's sample report, Exhibit C, was entitled Portfolio Analysis, as generated for a client city. The information presented on this sample report included:

- The number of citations in the agency portfolio for this city and summaries of the various collection status categories of these citations.
- Collections made by placement age (dates citations were sent to the agency by the city).
- Collections made by the original offense age.

The Clerk's Office does not receive this report.
Management needs information to perform any analyses necessary to perform the evaluation of the success of their collection agency, but they apparently have not requested this information. The effect is management is not able to determine if their collection agency is an efficient and effective collection tool.

**We Recommend** management request and utilize information that is apparently available from their collection agency to determine if the agency is an efficient and effective collection tool. If necessary, additional information should be retrieved from the Accounts Receivable system. The management of the Clerk’s Court Services Division should also consider delegating the responsibility of the basic monitoring and analyses, if they do not have the time to perform this important function.

**Status:**

Implemented. Management implemented this recommendation shortly after it had been discussed during the course of the original audit.

**6. Only The Easiest Cases To Collect Are Being Enforced Through The Collection Agency.**

Cases with the highest collection rates were the first types of cases turned over to the collection agency. In July 2005, the Pinellas County Clerk of Courts began utilizing a private law firm that specializes in the collection service of governmental delinquent fines, fees, court costs and service charges. The Clerk attempts to collect these amounts during the initial 90-day period after they become due using standard collection practices. The Clerk practices include various measures allowed by law, including suspending driver’s licenses and assessing delinquent fees for non-payment. After being delinquent 90 days, Florida Statutes allow the Clerk to send delinquent accounts to the collection agency.

During this initial period of utilizing a collection agency, the Clerk has only sent cases related to Traffic. These areas represented about 52% of the total fines and costs assessed for Fiscal Year 2005. However, the collection rate for the following areas represent some of the highest rates recorded: Civil Traffic 97% and Criminal Traffic 79%. However, the collection rate for Circuit Criminal cases is only about 8% and the rate for County Criminal cases is 52%. The Criminal case collection rates are significantly lower than the Traffic cases, which are the only type of cases being sent to the collection agency at this time.

As previously noted in this report, there are no procedures to monitor the success of the collection agency. Initial collection agency services should be evaluated to determine the priority of their collection efforts, including the extent to which they should be directed toward those cases with the worst collection rate histories. Although management is still in the process of implementing the collection agency enforcement tool, utilizing the collection agency for collection efforts on cases with relatively high collection rates versus cases with significantly lower collection rates, may not be the most effective use of the agency’s efforts. In addition,
this practice may allow the agency to report higher than normally expected collection success because they are dealing with easier type cases to collect.

We Recommend management evaluate the collection agency efforts in terms of types of cases. The collection agency should be monitored to ensure that collection efforts are not aimed at only the easiest cases.

Status:

Implemented. Management stated that they are utilizing their new collection agency reports (see Opportunity for Improvement No. 5) to evaluate and monitor their collection efforts.

7. Internal Controls Over The Collection Agency Are Not Adequate.

Improved checks and balances are needed for Collection Agency cases. The cases and amounts submitted, collected or returned by the agency should be accurately recorded in the Clerk's accounting and case systems. The Clerk has been utilizing the services of a collection agency for more than one year, but the same areas of responsibility still lack adequate internal controls. Significant weaknesses noted are:

A. There are no documented policies or procedures at the Criminal Justice Center (CJC) Criminal Court Customer Service Department related to their processing of collection agency transactions.

B. The Clerk's Accounting Department procedures for processing non-sufficient fund (NSF) checks received at the collection agency were incomplete.

C. The Clerk's Accounting Department procedures for processing agency fee compensation notes weekly payments, but the agency contract states that the fees would be paid "on a monthly basis."

D. Nobody in the Clerk's organization tests the cases reported and sent daily to the agency against the Clerk's records.

E. The General Ledger liability account for fees due the agency, related to payments received at the Clerk's counters (versus being mailed to the agency), is not tested against the details representing this account balance.

F. The agency's reports of receipts is not reconciled to the Clerk's reports of payments received by the agency.

G. We found no evidence of control logs for:

   (a) Collection agency receipt numbers assigned by the Clerk's collection system.
(b) All cases sent to the agency, including the outcomes.
(c) NSF checks received at the agency.

Adequate internal controls and monitoring procedures are necessary to ensure that the collection agency procedures and systems are functioning as intended. However, it appears management may believe the collection agency procedures and systems are always functioning as intended, and ongoing monitoring is not necessary.

The potential risks of not having adequate internal controls over the collection agency process include:

- Cases are sent to the collection agency, but would not be noted in the case docket.
- The case docket could indicate that they had been sent to the collection agency, but they had not been sent.
- The case docket could indicate payment was made, but payment had not been made.
- The case docket could indicate payment was not made, but payment had been received.
- The agency could be overpaid for their collection fees.
- The Clerk’s notification to the Department of Motor Vehicles that driver’s license suspensions could be lifted might be inaccurate if payments were not recorded accurately.
- Readily accessible records of all the cases and their status might not be available if there is a sudden change in collection agencies.
- NSF check transactions might not be posted to the case records.

We Recommend management develop and implement adequate internal controls over all aspects of the collection agency process, including the following:

A. Develop policies and procedures at the CJC Criminal Court Customer Service Department related to the processing of collection agency transactions.

B. Establish procedures for processing NSF checks received at the collection agency.

C. Establish procedures for processing agency fee compensation according to the contract.

D. Verify the cases being reported as sent daily to the agency to the Clerk’s records.

E. Verify the transactions recorded in the General Ledger liability account for fees due the agency related to payments received at the Clerk’s counters.

F. Verify the agency’s reports of receipts to the Clerk’s reports of payments received by the collection agency. Control logs should be instituted to track information exchanged, such as collection agency receipt numbers assigned by the Clerk’s collection system, cases sent to the collection agency and NSF checks received at the collection agency.
Status:

A. Implemented. Management has prepared policies and procedures relating to the collection of fines/fees, costs and service charges.

B. Implemented. Management has revised their written procedures to include the NSF information.

C. Implemented. Management began paying the collection agency on a monthly basis after we discussed this issue with them during the audit.

D. An acceptable alternative was implemented. Management states that they verify the cases being reported, as sent to the collection agency, to the Clerk’s records.

E. Implemented. Management has developed tools to track and verify all transactions receipted in-house and those transferred electronically by the collection agency.

F. Implemented. Management stated that agency reports are verified, and that control logs are maintained so that information is verified and tracked on a spreadsheet.


Pinellas County’s collection agency contract did not address some aspects of authority and coercion. The National Center for State Courts (NCSC) has issued recommendations for issues that should be addressed in an agreement with a collection agency. The NCSC’s current mission, improving the administration through leadership and service to the state courts, springs logically from its original purpose, serving as an information clearinghouse so that innovations in one court can benefit all courts. The NCSC provides information on proven “best practices” for improving court operations in many areas.

We compared the Pinellas County Clerk’s collection agency contract provisions to the recommendations issued by the NCSC. Although the majority of recommendations were included in the contract provisions, we noted two areas of concern:

A. Certain aspects of contractor authority are not specified:

   1. Power to negotiate payments (usually not permitted).

   2. Computation of interest according to tables provided by courts.
3. Whether all money flows through the contractor or whether the court can accept payment. Note: The Clerk does accept payments for accounts that have been sent to the agency, but this practice is not specified in the contract.

4. Authority of the contractor to invoke coercive authority of court.

B. Coercive action may precede reference to a collection agency (i.e., license suspension). The question arises as to how turning the case over to a collection agency effects measures by the court.

Including these issues as permitted or not permitted help to define the responsibilities in the contract. The effect of not implementing all of the NCSC recommendations may be higher than necessary risks involved with the collection agency transactions.

We Recommend management consider all of the NCSC collection agency recommendations when they prepare their next contract or amend the current one.

Status:

An acceptable alternative was implemented. Management states that all contracts are reviewed by the County attorney prior to signing, and management also attempts to include all the National Center for State Courts’ recommendations for collections in the contracts.