



December 23, 1998

Internal Audit Report 98-15
Uniform Summons and Complaint Citation Process
Anchorage Police Department

Introduction. Uniform Summons and Complaint citations (citation) are issued by the Anchorage Police Department (APD). Alaska Statute 12.25.200 and Anchorage Municipal Code (AMC) 9.48.020 state that the Chief of Police is responsible for issuing books containing appropriate citations, maintaining a record of each book and each citation contained in it, and retaining a receipt for every book issued to an officer. In addition, Alaska Statute 12.25.210 and AMC 9.48.050 (c) indicate that the Chief of Police shall require the return of each traffic citation and all copies thereof which have been spoiled or upon which any entry has been made and has not been issued to an alleged violator. The APD Records Section is responsible for processing non-contested optional and correctable citations, and for forwarding all mandatory court-infraction, mandatory criminal, and contested citations to the State of Alaska Traffic Court (Traffic Court), the District Attorney's Office, or the Municipal Prosecutor's Office.

Scope. The objective of this audit was to evaluate procedures and controls over citations. Specifically, we reviewed procedures and controls for safeguarding, storing, issuing, tracking and recording citations, and collecting fines. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of July through August 1998. The audit was required by the 1998 Audit Plan.

Overall Evaluation. Procedures and controls over the citation process required improvement. The Citation Tracking System was not current and was not reconciled periodically; APD established a

policy not to process citations that are missing the original citation; State of Alaska surcharges were not always collected; and controls over collecting, depositing and recording citation fines required strengthening.

Management Overall Comments. Management stated, “It should be noted here that integrated policies, procedures and processes with the State of Alaska, particularly the State Court System, is crucial to proper accounting and tracking of USC’s. The USC’s are used for Traffic, Misdemeanor Criminal and Criminal Traffic offenses. Offenders pay or respond to these citations either at the APD, the Alaska State Court Traffic Section, the Alaska State Court Clerk’s office, the Sate District Attorney’s office, the Municipal Prosecutor’s office or the Municipal Collections office. Without the full cooperation of the state entities involved, the APD’s citation tracking process will continue to be only a part of the total picture.”

Evaluation of Management Overall Comments. Internal Audit wishes to acknowledge APD for their willing cooperation with this audit and their responsiveness to the audit findings and recommendations contained in this report.

FINDINGS AND RECOMMENDATIONS

1. **Citation Tracking System Not Current.**

- a. **Finding.** The Citation Tracking System was not current and accurate. For example, at the time of our audit, over 5,000 unused citations returned by Officers had not been entered into the system. In addition, we found that citations were not always accurately entered into the system. We reviewed 30 correctable citations and found seven that had been incorrectly entered as optional. We also found instances where outstanding citations were still shown as issued to individuals no longer working for APD, some for as long as two to three years.

- b. **Recommendation.** The Citation Tracking System should be maintained in a current and accurate manner.

 - c. **Management Comments.** Management stated, “A large influx of citations from officers who were issued newly formatted citation books resulted in an unusual backlog of approximately 5000 unused citations. Staffing precluded the timely entry of these citations into the current automated system. These 5000 citations are now in the system and accounted for.

“APD will continue to review our current policy, update it if necessary, and ensure compliance. We will provide adequate training to the staff on any updates that may be implemented. Additionally, the purchase of a new Y2K compliant computer application for tracking the citations is being considered.”

 - d. **Evaluation of Management Comments.** Management comments were responsive to the auditing finding and recommendation.
2. **Citations Missing Original Copy Not Processed.**
- a. **Finding.** APD has established a policy to not process citations that are missing the original citations. Records Section procedures required the original citation to be retrieved when payment was received from the defendant. If the original citation could not be located, the payment would be returned/refunded. This same policy was applied to contested citations. Those missing the original citations were not forwarded to the Traffic Court and were canceled. In all cases, other copies of the citations were on file. We were told that this policy was based on the Traffic Court’s decision to reject all citations that did not have the original copy. However, our review of the Alaska Statutes revealed that either the original or a copy of a valid citation was considered a lawful complaint. Accordingly, it is our opinion that all

valid citations should be processed for payment or sent to the Traffic Court with or without the original citation as long as a copy of the citation is on file at APD.

b. Recommendation. APD Records Section Procedures should be revised to ensure that all valid citations are processed for payment or sent to the Traffic Court.

c. Management Comments. Management stated, "Not processing a USC that is missing an original portion is a procedure driven by the State of Alaska Traffic Court. The court has directed that APD must provide the original copy of the USC to them. This appears to be in conflict with AS 12.25.220. As a police agency, however, we are required to follow the mandates of the courts of the State of Alaska as opposed to strict compliance with state statute.

"APD will review its current policy and procedure. APD will solicit the Municipal Attorney's Office to assist in resolving this conflict between State Traffic Court procedure and state law."

d. Evaluation of Management Comments. Management comments were responsive to the audit finding and recommendation.

3. State of Alaska Surcharge Not Always Collected.

a. Finding. A mandatory surcharge was not always collected by APD for vehicle or traffic violations. Our audit disclosed that APD did not report to the State of Alaska instances where an individual failed to pay the surcharge. If a payment did not include the surcharge, Records Section procedures required letters be sent to the individual requesting payment of the surcharge. However, if no response was received, the State of Alaska was not notified, the citation was closed, and no further action was taken. Alaska Statute 12.55.039 requires a surcharge in addition to any

fine or penalty prescribed by law for a defendant who pleads guilty or nolo contendere to, forfeits bail for, or is convicted of a violation of a vehicle or traffic offense under a Municipal ordinance. The Statute also states that the surcharge shall be paid within 10 days of imposition or such shorter period of time as ordered by the court. The surcharge may not be waived, deferred, or suspended. Failure to pay the surcharge is punishable as contempt of court. In addition, recently enacted Alaska Statute 12.25.195 (c) states that disposition of an offense may not occur unless the person cited for the offense pays the surcharge prescribed in AS 12.55.039 in addition to the scheduled bail or fine amount.

- b. **Recommendation.** APD should implement procedures to comply with Alaska Statutes regarding the collection of a surcharge for violation of a vehicle or traffic offense.

- c. **Management Comments.** Management stated, "At this time APD has no requirement to report instances where individuals have failed to pay the surcharge. The court system has no mechanism or procedure in place to collect and apply the surcharges. APD collects those fines associated with the violation and, with no other options available for collecting the surcharge, APD has routinely entered the disposition and closed out the citation.

"APD will attempt to coordinate with the state court system to clarify the requirement of newly enacted 12.25.195(c). APD has and will continue to attempt to comply with new state law and will attempt to establish a process to collect surcharges prior to collection of fines or bail. APD will notify the State Traffic Court of all instances where an individual has failed to pay the surcharge."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

4. **No System to Track Payment of Fines.**

a. **Finding.** APD did not have a system in place to ensure that citations issued by the Officers were eventually paid in the proper amount and that payments were deposited to the proper accounts. Two in-house systems were utilized to process citations. The Citation Tracking System only tracked citations issued to officers and did not include the amount of the fine nor the amount collected. The Receipt System functioned as a computerized cash register and provided a pre-numbered receipt for the payment. As a result, it was not possible to reconcile payments against issued citations nor to determine how many citations had not been paid or if the payment was in the proper amount.

b. **Recommendation.** APD should implement a system, such as an accounts receivable system, to account for fines associated with citations issued for violation of a vehicle or traffic offense. As a minimum, the system should have the capability to track fines associated with issued citations to final payment, the Traffic Court or other disposition and should reconcile to daily cash deposits.

c. **Management Comments.** Management stated, "Because final dispositions of fines/bail are made by the state courts, development of a fully integrated tracking system is essential. This would require extensive state court and municipal government coordination. Additionally, the evaluation of the need for change in state law and involvement of the state Department of Law will be necessary.

"The development of a statewide USC form, tracking system and data base, integrated with local systems will need to be explored and developed."

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

5. **Citation Tracking System Not Reconciled Periodically.**

- a. **Finding.** A periodic reconciliation of outstanding citations was not being performed. In February 1997, APD's Fiscal Section performed a reconciliation of the Citation Tracking System records for citations shown as still issued to Officers. This reconciliation revealed that over 2,000 citations could not be accounted for. These citations were reported by the Officers to either be lost, misplaced or status unknown. However, no further research was performed by personnel in the Records Section or the Fiscal Section. These unaccounted for citations were merely cleared in the Tracking System. No other reconciliation has been performed as of the date of our audit. Our review of the Tracking System records for December 1997 revealed over 13,000 citations as outstanding. We also noted that some of these outstanding citations were shown as still issued to individuals no longer working for APD. Strict accountability of citations has not been emphasized by APD.
- b. **Recommendation.** The Chief of Police should implement a periodic reconciliation of the Citation Tracking System to verify the status of all citations issued to Officers. A policy should also be implemented to hold all individuals who are issued citations accountable for the citations.
- c. **Management Comments.** Management stated, "With the fiscal manager position vacant and records staffing maximally engaged in other required functions due to the implementation of a new records management system, APD has not conducted a recent reconciliation. The priority of this reconciliation is being re-examined.

"Recent changes in APD policy reflect that when an employee terminates their employment with APD, they must account for all issued equipment *to include citations*. Citations will also be added to the current *Personal Equipment Inventory Checklist* which must be completed with each annual employee evaluation. APD

will review and, if necessary, update this policy and ensure compliance by all personnel.

“APD will continue to explore integration and development of a statewide USC system. Additionally, a request for proposal for Mobile Data and Automatic Vehicle Location Infrastructure will be released this month. This is the first step in APD’s migration to vehicle computers and automated dispatching and reporting. With this system, electronic citations will replace our current hard copy paper products. This electronic process will revolutionize the way we track, dispose, issue, and maintain citations.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

6. **Controls Over Collecting, Depositing and Recording Citation Fines Required Strengthening.**

- a. **Finding.** Controls over collecting and depositing citation fines required strengthening. Specially, we found the following:

- 1) Checks received from individuals paying their fines were not endorsed for deposit at the time of receipt. Instead, the checks were accumulated during the day and were all endorsed at the end of the day when the cash deposit was prepared. Municipal Policy and Procedure (P&P) 24-1, “Collecting, Securing, Depositing and Reporting Cash,” requires that cash receipts be endorsed immediately upon receipt.
- 2) Cash receipts for citation fines were not always deposited daily. Our audit revealed that citation payments that were received from defendants who

failed to pay the required surcharge were kept in a safe until additional payments were received. In addition, our review of 43 daily deposits revealed that, in two instances, the cash receipts were not deposited until two days later. AMC 6.70.080, "Daily Deposit of Money Collected," and P&P 24-1 require that cash receipts be deposited daily to prevent loss or misappropriation.

- b. **Recommendation.** Procedures should be strengthened over the collection and deposit of citation fines. The requirements of AMC 6.70.080, and P&P 24-1 should be followed to minimize the risk of loss or misappropriation of funds.
 - c. **Management Comments.** Management stated, "The findings in this section were evaluated and APD is compliant with the audit recommendations."
 - d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.
7. **Control Procedures Not in Place to Segregate the Function of Collecting Cash and Maintaining Records.**
- a. **Finding.** Control procedures were not in place to segregate the functions of collecting cash and accessing the Alaska Public Safety Information Network (APSIN). Individuals who have custody of the cash can also access the APSIN System to post a payment and release the citation. As a result, undetected losses could occur.
 - b. **Recommendation.** APD Records Section personnel should reevaluate job functions and segregate the duties of collecting cash and maintaining records. In addition,

access to the APSIN System should be limited to the staff who do not have custody of cash.

- c. **Management Comments.** Management stated, “The findings in this section were evaluated and APD is compliant with the audit recommendations.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on October 29, 1998.

Audit Staff:
Lily Li