



**A Report to the Galveston
City Council**

Mayor

Jim Yarbrough

Council Members

Tarris Woods

Dr. Craig Brown

Ralph McMorris

Norman Pappous

Terrilyn Tarlton

Carolyn Sunseri

City Auditor

Glenn Bulgherini, CPA

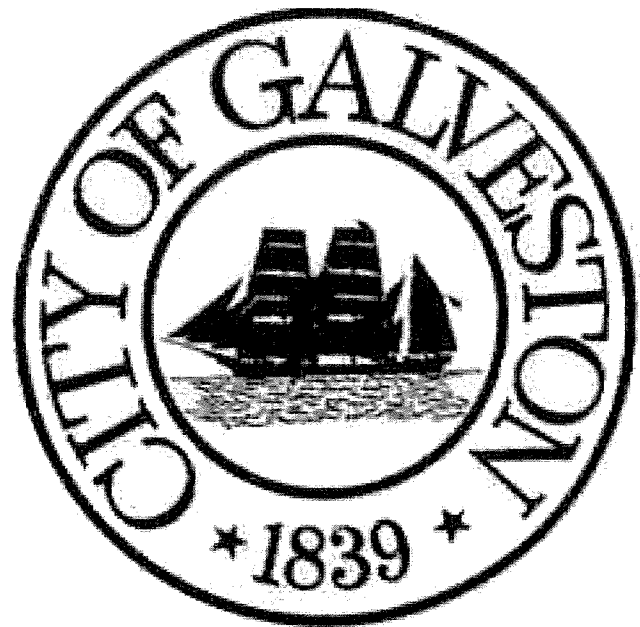
Auditor

Carrie Sumrall, CFE

Audit Report

Municipal Court Audit

March 16, 2015



Report Summary

The purpose of this report is to determine if the City of Galveston is paying the City's Collection Agency for Municipal Court according to the Texas Comptroller Allocation Rule for installments. The City Auditor's office has determined that the City of Galveston is paying the City's Collection Agency accurately and following the Texas Comptroller Allocation Rule for installments. The City Auditor's Office sampled twenty-eight (28) Citations that were over sixty (60) days due. Out of the twenty-eight (28) Citations sampled the Warrant Officer's collected payments on five (5) of the Citations. This is a twenty (20%) percent overlap in efforts. The City Auditor's office recommends that the contract with the City's Collection Agency be revised and adjusted to fit the needs of the Municipal Court.



MUNICIPAL COURT
AUDIT REPORT

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	Page 1
SCOPE.....	Page 1
FIELDWORK.....	Page 2
SUMMARY OF RESULTS.....	Page 2
CITY AUDITOR'S RECOMMENDATIONS.....	Page 2
STAFF CONDUCT.....	Page 2
CITY MANAGERS RESPONSE.....	Page 2

AUDIT TEAM

Glenn Bulgherini, CPA, City Auditor
Carrie Sumrall, CFE, Auditor

Office of the City Auditor
Galveston City Hall
Phone: 409-797-3692
Email: bulgheriniglen@cityofgalveston.org

**City of Galveston
Municipal Court Audit
City Auditor Executive Summary**

The purpose of this report is to determine if the City of Galveston is paying the City's Collection Agency for Municipal Court according to the Texas Comptroller Allocation Rule for installments. The Texas Comptroller Allocation Rule for installments states that payments should be allocated to court costs and fees first (both state and local) and then to fines. The Attorney General Opinion GA-107, 2004 reads in part: "... allocate monies received from a defendant first to pay costs and then to a fine. If the monies received do not cover all of the costs, then the monies must be allocated to costs on a pro rata basis." The City Auditor's Office has analyzed, tested, and consulted with a Municipal Court expert on the accuracy of payments made to the City's Collection Agency. The City Auditor's office has determined that the City of Galveston is paying the City's Collection Agency accurately and following the Texas Comptroller Allocation Rule for installments.

Scope

The scope of our procedures included interviews of key staff with the City of Galveston. Interviews were conducted with:

- Municipal Court Clerk City of Galveston.
- Finance Director City of Galveston.
- General Fund Accountant City of Galveston.
- Warrant Officers City of Galveston.
- Police Chief City of Galveston.
- Captain Police Department City of Galveston.

The scope of our procedures included inspections and analysis of documentation and reports. These documents and reports included:

- Citation Payment Detail.
- Collections Spreadsheets.
- Payment Plan Report.
- Contract between the City's Collection Agency and the City of Galveston.
- Report on Total Citations filed with the City of Galveston.
- Municipal Revenue Spreadsheet.
- Total Fees Paid Spreadsheet.
- Payment Collection Report.
- Allocation and Proration, Article 103.0031 Contract.
- Attorney General Opinion.
- Court Administrator Collection Agency Formula.

**City of Galveston
Municipal Court Audit
City Auditor Executive Summary**

Fieldwork Performed

The City Auditor's Office performed the following tests:

- Traced payments for Municipal Court from original source documents through the computer system for completeness.
- Recalculated the allocations for Municipal Court installment payments for accuracy.

Summary of Results

The City Auditor's office has determined that the City of Galveston is paying the City's Collection Agency accurately and following the Texas Comptroller Allocation Rule for installments.

Auditor Recommendations

The City Auditor's Office sampled twenty-eight (28) Citations that were over sixty (60) days due. Out of the twenty-eight (28) Citations sampled the Warrant Officer's collected payments on five (5) of the Citations. This is a twenty (20%) percent overlap in efforts. The City Auditor's office recommends that the contract with the City's Collection Agency be revised and adjusted to fit the needs of the Municipal Court.

Staff Conduct

All current staff acted in a professional and timely manner.

City Manager's Response

The City Manager reviewed the Auditor's report and will ensure the recommendation related to collection overlap is considered as part of future contract negotiations and/or requirements.