

TOWN OF SMYRNA, TENNESSEE

Schedule of Findings and Questioned Costs

June 30, 2006

Prior Year Reportable Conditions

01-01 Current procedures related to bonds held for court offences were weak which has resulted in an inability to reconcile the bonds held liability to detail records.

Status: The condition continues to exist. A point of sale recording system has been implemented which improved coding of receipts. However there continues to be no procedures in place to reconcile bonds held and bond forfeitures to detail lists. Also certain bond forfeitures are required to be remitted to the county or state and this has not been done in several years. There appears to be a lack of understanding of required accounting procedures related to court receipts and inadequate communications between court personnel and finance personnel. For several years, amounts have been recorded to court related liability accounts with no review to assure amounts are correct or are remitted to the proper agency.

Recommendation: We recommend that personnel with the town get training in all responsibilities related to court collections and remittance requirements. From the training, it should be assured that the court's software will provide the necessary data to account for collections and make timely remittances. We also recommend that communication between the court offices and the finance department be improved so each may be better aware of their responsibilities.

Response: The Court has compiled a detailed master list of all bond forfeitures. This includes the bond amount, bonding agency or defendant, and whether or not it was refunded or remitted to the proper entities.

It is the opinion of the Clerk's Office that the cash bond account will never be reconciled, due to the incorrect set up of this payment system when the court was begun. Bond payments were taken on two different software systems and after exhaustive research no reconciliation was reached. A temporary account has been established for any cash bonds held that the Court attempted to refund but was unable to locate the defendant. The account balance will be remitted to the State of Tennessee as unclaimed property.

The Court communicates daily with the finance department through point of sale reports. Although the Court is open to any and all questions or inquiries the finance department might have, it has no control over the level of training that the finance department has over court collections.