

EXECUTIVE DIGEST

DRIVER LICENSE POINTS, FINES, AND FEES

INTRODUCTION

This report, issued in September 1998, contains the results of our performance audit* of the Reporting of Driver License Points and the Collection and Disposition of Fines and Fees.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

The judicial branch of government consists of three levels of courts and other judicial agencies. The courts include the Supreme Court, the Court of Appeals, and State trial courts*. Trial courts consist of circuit*, district*, probate*, and municipal courts*. There are 57 circuit courts, 101 district courts, 78 probate courts, and 5 municipal courts in Michigan.

Each of the trial courts collects various assessments, fines, fees, and costs that are distributed on a monthly basis to other units of government.

Circuit courts hear felony cases, including felony drunk driving convictions (i.e., third or more offense), murder, manslaughter, negligent homicide, felonious driving, unlawfully driving away an automobile, and other felonies involving the use of an automobile. District courts hear civil infraction* cases and most traffic-related and drunk driving cases. In addition, district courts hear misdemeanor cases, except for cases when the offender* is age seventeen and under. These cases are heard by the probate courts. Probate courts also hear traffic-related misdemeanors for juveniles.

Section 257.732 of the *Michigan Compiled Laws* requires the clerk of the court* to submit an abstract* of the court record within 14 days to the Department of State upon conviction* of a traffic-related offense or felony involving a motor vehicle. Abstracts are submitted either electronically or manually. The abstract serves to update the State's master driver records* with an offender's conviction information.

**AUDIT OBJECTIVES,
CONCLUSIONS AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To determine if trial courts correctly reported traffic-related convictions to the Department of State in a timely manner.

Conclusion: Our audit disclosed one material condition* related to recording Motor Vehicle Code convictions on the State's master driver records:

- A significant percentage of Motor Vehicle Code convictions and related suspensions were either not recorded or not recorded correctly on the master driver records (Finding 1).

The State Court Administrator's Office (SCAO) agreed with the corresponding recommendation but disagreed with the finding. The Department of State agreed with the corresponding recommendation.

We also noted two reportable conditions* related to the timeliness of recording convictions on the master driver records and the plea under advisement* practices of the courts (Findings 2 and 3).

Noteworthy Accomplishments: The Judiciary has undertaken several initiatives in recent years to streamline the automated reporting of traffic violation convictions to the Department of State. Approximately 215 courts report convictions using one of three automated processes. Some courts provide conviction information directly to the Department of State through an electronic batch update process. Other courts provide batch process conviction information to the Department of State using a process developed by SCAO and the primary systems software services vendor. In addition, courts served by another vendor have automated the process of reporting conviction information with assistance from the primary vendor.

SCAO has issued data standards for use by trial courts and agencies that exchange data with the courts. SCAO, in conjunction with the Criminal Records Improvement Task Force, has also begun a project to develop a central court disposition reporting center which will provide a single process for electronically reporting criminal and traffic dispositions for State agencies' use.

Audit Objective: To determine if trial courts correctly collected and distributed revenues from assessments, fines, fees, and costs.

Conclusion: Generally, the trial courts collected and distributed the correct amounts from assessments, fines, fees, and costs. However, our audit disclosed two reportable conditions related to revenues collected by the courts and testing of the accuracy of the courts' distribution of revenues (Findings 4 and 5).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine traffic conviction records and assessments, fines, fees, and costs of selected courts. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included testing pertinent court records for the period October 1, 1996 through October 31, 1997. Our methodology included interviewing staff and management from SCAO, the Department of State, the Department of Treasury, and the courts included in our site visits. We also reviewed applicable State statutes, the internal audit programs for the Supreme Court of Michigan, and policies and procedures to gain an understanding of the process of correctly reporting traffic convictions on the master driver records and the courts' collection of fines and fees and its distribution of revenues. We assessed the internal control structure* pertaining to processing traffic convictions and to collecting and distributing revenues.

For our first objective, we selected a test group of traffic-related convictions for each of the courts included in our sample. We examined the courts' traffic-related conviction files, compared file information to conviction data recorded on the abstracts, and traced the convictions to the master driver records. Also, we assessed the courts' sentencing practices, including pleas under advisement, for impact on both fines and fees and on convictions reported to the Department of State.

For our second objective, we reviewed each court's distribution of revenue collected for a one-month test period for each of the courts included in our sample. We examined selected revenue transactions from our test month. We examined supporting documentation, identified the appropriations of fees assessed, and assessed the propriety of the distribution of revenues collected. Also, we traced daily receipts to deposits, performed analytical tests on selected accounts, determined the courts' methodologies for distributing revenues, and assessed the correctness of the courts' monthly distributions.

AGENCY RESPONSES

Our audit report includes 5 findings and 10 corresponding recommendations. The Judiciary agreed with all the recommendations but disagreed with one finding related to the recommendations. The Department of State agreed with the findings and recommendations addressed to it.

The agencies' preliminary responses to the recommendations in our report were taken from the agencies' written comments and/or oral discussions subsequent to our audit fieldwork. An Auditor General epilogue* follows the Judiciary preliminary response for

one issue. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of State to develop formal responses to our audit findings and recommendations within 60 days after release of the audit report.