
FISCAL UPDATE Article

Fiscal Services Division

November 13, 2017



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AUDIT REPORT: JUDICIAL BRANCH — COUNTY CLERKS OF DISTRICT COURTS

Audit Report Released. The State Auditor's Office released a [report](#) on the county clerks of district courts of the Judicial Branch for the year ended June 30, 2016.

Findings. The audit made the following findings related to internal control:

- **Segregation of Duties.** The audit found that several procedures and compensating controls have not been implemented in certain county clerk of district court offices, including segregation of responsibilities for incoming mail, receipt collection, preparation of bank reconciliation, and check signing.
- **Manual Receipts.** The audit found several items relating to manual receipts in certain county clerk of district court offices that did not follow the procedures for issuing and processing manual receipts.
- **JRN Receipt/Batch Summary.** The audit found that several procedures and compensating controls have not been implemented in certain county clerk of district court offices, including the review of JRN receipts/batch summary reports by an independent person, reviewing the report in a timely manner, and ensuring sufficient review by the reviewer.
- **Case Delete Program.** The audit found several procedures and compensating controls for the case delete program within the Iowa Court Information System (ICIS) that have not been implemented in certain county clerk of district court offices, including written requests to delete cases as well as independent and timely review of case deletion history reports.
- **Disaster Recovery Plan.** The audit found that a number of clerks have not annually tested or documented testing of the disaster recovery plan.
- **Case File Information Changes.** The audit found several procedures and compensating controls that have not been implemented in certain county clerk of district court offices for the zeroed transactions in production report, including written evidence of independent review, timely review of reports, and sufficient review of reports.
- **Reversed Receipts Report.** The audit found in certain county clerk of district court offices that the reversed receipts report was not reviewed monthly, performed in a timely manner, or dated. In addition, the audit found in some cases that the report was reviewed, but not performed by an independent person, or that the report was not considered sufficient.
- **Community Service.** The audit found that several procedures relating to the use of community service as a means to satisfy payment of a fine have not been implemented in certain county clerk of district courts offices, including sufficient evidentiary support of the community service.
- **Cash Bond Receipts.** The audit found that controls at certain county clerk of district court offices are not adequate to ensure that cash bonds reviewed from law enforcement personnel are entered into the ICIS.
- **Jury and Witness Disbursements.** The audit noted two items related to jury disbursements for certain county clerk of district court offices. Supporting documentation for certain jury and witness fee disbursements was not maintained and/or appropriately calculated, and for certain jury and witness disbursements, the payment was not made in a timely manner.

- **Over-the-Counter Receipts.** The audit found in certain county clerk of district court offices that a pre-numbered receipt was not issued for cash payments received over the counter.
- **Iowa Court Information System.** A review of certain financial information recorded by the county clerks of district courts in the ICIS and of the controls over the ICIS was performed, and the following was noted:
 - **Relational Database.** The Judicial Information Technology Department has established procedures to document when a database administrator accesses a database, but the department is unable to track or monitor changes directly to the database tables.
 - **Multiple Sessions.** Users are able to open multiple sessions in the ICIS at the same time. When multiple sessions are open, information from one session can “bleed” into other open sessions.

The audit made the following findings related to statutory requirements and other matters:

- **Monthly Reports.** The monthly reports to the State, county, or city clerk were not always completed by the 15th of each month, and in some cases, the copies of the monthly reports were not retained by the county clerk of district court’s office, or the reports were run with incorrect amounts and dates.
- **Unclaimed Property.** The State Court Administrator’s Office or certain county clerks of district courts did not remit all non-trust or trust obligations to the Office of the Treasurer of State annually.
- **Community Service Wage Rate.** Instances where the community service credits were calculated using incorrect rates were noted. In some cases, the judge ordered a number either higher or lower than the federal minimum wage to be used in the calculation.
- **Electronic Check Retention.** Iowa Code section [554D.114](#) allows each county clerk of district court to retain cancelled checks in an electronic format, and requires the inclusion of an image of both the front and back of each cancelled check. For two county clerk of district court offices, an image of the back of each cancelled check was not obtained.

Recommendations and Responses. The Auditor made recommendations on compliance for all of the items outlined above. The Judicial Branch submitted responses for improvement, all of which were either accepted or acknowledged by the Auditor.

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