



# **Internal Audit Department**

## **Special Request 2012 – S1**

**Clerk of the Circuit Court**

**Civil Court Summary Reporting System**

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**Dwight E. Brock**  
Clerk of the Circuit Court

3299 Tamiami Trail East  
Suite #402  
Naples, FL 34112-5746

[www.collierclerk.com](http://www.collierclerk.com)

**Prepared by:** Ron Dortch, Senior Internal Auditor

**Report Distribution:** Darlene Muszynski, Assistant Director - Civil Courts  
Jill Lennon, Courts Director  
Marc Tougas, Information Services Director

**Cc:** Dwight E. Brock, Clerk of the Circuit Court  
Crystal K. Kinzel, Director of Finance & Accounting

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Workpapers supporting the observations noted within this report are public record and can be made available upon request once the final audit report has been issued. The files and draft versions of audit reports remain confidential and protected from public records requests during an active audit under *Nicolai v. Baldwin (Aug. 28, 1998 DCA of FL, 5<sup>th</sup> District)* and Section 119.0713, Florida Statutes.

## BACKGROUND

Pursuant to § 25.075, Florida Statutes, the Supreme Court of Florida developed a uniform case reporting system commonly known as the Summary Reporting System (SRS). The SRS provides the Office of the State Courts Administrator (OSCA) with the total number of cases filed in each county in the State of Florida. This data assists the Supreme Court of Florida in its management and oversight role, including the determination of the number of judges needed for each circuit court. The Supreme Court of Florida also takes into account the complexity of the cases filed and the time needed to process these cases in this evaluation.

Each county is required to report cases filed (SRS data) on standardized forms to OSCA on a monthly basis. These forms provide for uniform reporting statewide, but only list SRS data in total. The detailed SRS data that makes up these totals is tracked by each county on an Audit Trail report, which documents specific case numbers and validates whether the data was accurately reported to OSCA. All counties are required to retain the monthly SRS and supporting Audit Trail reports for three years following the submission of data to OSCA.

On October 1, 2011, Collier County's Civil Court Department converted from the Legacy Case Management System (Legacy) to the Showcase Case Management System (Showcase). Conversion testing by Civil Court staff included verifying Showcase information to the Audit Trail report from Legacy and to case file documentation for a limited number of cases. While staff did not identify errors between Showcase and the Legacy Audit Trail report, discrepancies were noted between the Legacy Audit Trail report and case file documentation. As a result, the Courts Director raised concerns with the Clerk of the Circuit Court (Clerk) that civil cases may not be reported correctly on the monthly SRS reports filed with OSCA. As noted above, the number of judges assigned to each circuit court is based on this case information and could be impacted if not reported correctly to OSCA. Therefore, the Clerk requested the Internal Audit Department perform an audit of the Civil Department's SRS reporting process and to verify the accuracy of monthly SRS reports filed with OSCA. The Clerk requested that the audit follow OSCA audit procedures to ensure and maintain the effectiveness of internal controls.

In addition to the SRS reporting process, the Courts Director requested Internal Audit to verify that civil re-opened cases are being assessed the required re-open fee. The Clerk's revenues are a key factor in the State of Florida's determination of the Clerk's annual budget appropriation.

## SUMMARY

The following audit observations were generated during the review:

- 3.6% of New/Disposed/Re-opened cases selected for testing were counted incorrectly on the monthly SRS reports submitted to OSCA (17 out of a sample of 471).
- 3.61% of Civil Cover Sheets for new cases selected for testing were not properly completed (10 out of a sample of 277).
- 5.5% of Re-open cases selected for testing were not assessed a re-open fee (3 out of a sample of 54).

Insufficient training and computer programming errors have resulted in inaccurate SRS data being submitted to OSCA. In addition, the inconsistent assessment of re-open fees reduces court related revenue generated by the Clerk's Agency.

## SCOPE

OSCA's audit procedures consist of 1) selecting a 3% sample of new case filings over all eight court divisions for a designated time frame and 2) reviewing case files for the sample selected and comparing the date the case was filed, case type, and case description to the audit trail report for accuracy. With the Civil Court Department's recent conversion to Showcase, the Courts Director requested that the audit focus on the four civil court divisions - Circuit Civil, County Civil, Small Claims, and Domestic Relations; but also asked that the audit include disposed and re-opened civil cases. Finally, the Courts Director requested Internal Audit to verify that civil re-opened cases are being assessed the required re-open fee. Internal Audit, with the Courts Director's concurrence, elected to audit all new, disposed, and re-opened cases from January 2011 through September 2011. Internal Audit selected for testing a 3% sample of new case filings (per OSCA procedures) and a 1% sample each for disposed and re-opened cases.

The audit review consisted of, but was not limited to the following tasks:

- Review of SRS Manual Guidelines published by OSCA;
- Review of Florida Statutes;
- Interviews with OSCA, Civil Court, and Clerk's MIS staff;
- Review of monthly SRS reports filed with OSCA and related Audit Trails;
- Compare a sample of monthly SRS reports to the related Audit Trail for accuracy;
- Compare file documentation for a sample of civil cases to the related Audit Trail for accuracy;
  - 475 new/disposed/re-opened cases out of 28,596 (1.6%) were selected for testing;
    - New Filings - 280 out of 9,317 cases (3.0%)
    - Disposed - 141 out of 14,057 cases (1.0%)
    - Re-opened - 54 out of 5,322 cases (1.0%)
- Review of Legacy System for court fees assessed to re-open cases selected for testing.

The objective of the audit was to ensure compliance with the reporting requirements established by OSCA's *SRS Manual* and to determine if re-open fees were assessed in accordance with Florida Statutes.

Internal Audit was unable to review four civil case files selected for testing due to the case file either being transferred to another court division, circuit court jurisdiction, or reviewed by the presiding judge. This is considered a scope limitation and consequently audit findings may not include all potential SRS reporting errors.

## OBSERVATIONS

### 1) Incorrect case counts noted in monthly SRS reports submitted to OSCA.

3.6% of New/Disposed/Re-opened cases selected for testing were counted incorrectly on the monthly SRS reports submitted to OSCA (17 out of a sample of 471).

- Seven cases (6 disposed and 1 re-open) - The disposed/re-open category code on the Audit Trail report did not agree with file documentation. The civil court clerk did not enter the correct category code in Legacy for each case.
- Six cases (5 new filings and 1 re-open) - The SRS description on the Audit Trail report did not agree with the Civil Cover Sheet or with file documentation.
  - Two cases (1 new and 1 re-open) - The civil court clerk did not enter the correct SRS description in Legacy. The description on the re-open case was corrected in August, but an amended report has not been filed with OSCA.

- Two cases (new) – Both cases were Adoptions that were classified as Other Family Court. Legacy SRS reporting parameters classify Adoption cases as Other Family Court. However, SRS Report Section II – Family Court, Part I(b) has a specific category to report Adoption cases. The Civil Cover Sheet also classified each case as an Adoption.
- One case (new) - The civil court clerk did not change the Docket code in Legacy to correspond with the correct SRS description.
  - One Domestic Relations case involved a Simplified Dissolution of Marriage. The civil court clerk entered the incorrect SRS description, “Dissolution of Marriage”, when opening the case in Legacy. Legacy automatically populates the Docket code related to the Dissolution of Marriage SRS description. The civil court clerk corrected the SRS description, “Simplified Dissolution of Marriage”, but the Docket code was not automatically updated in Legacy. Legacy is not set up to automatically update the Docket code when the SRS description is changed. The civil court clerk would have had to change the Docket code manually. The program used to extract case information from Legacy and create the Audit Trail and SRS reports uses the Docket code to determine the SRS description.
- One case (new) – Legacy inserted the incorrect Docket code when the case was opened.
  - One Circuit Civil case involved an Insurance Claim. Legacy automatically populated the Docket code for “Other”, instead of “Insurance Claim” when the case was opened. The civil court clerk would have had to manually change the Docket code to the correct code. The program used to extract case information from Legacy and create the Audit Trail and SRS reports uses the Docket code to determine the SRS description.
- Three foreign judgment cases (re-opens) were counted on the wrong SRS report. The program used to extract case information from Legacy and create the Audit Trail and SRS reports did not recognize the Docket code for each case in Legacy. Subsequently, each foreign judgment was reported on the same SRS report as the prior case extracted from Legacy.
- One disposed Circuit Civil case should not have been classified as disposed. The case had 10 defendants. Per file documentation, the case was dismissed against 8 defendants, leaving 2 still pending. Per SRS Manual, page 4-3, *“In cases involving multiple defendants, report the disposition of the case only when the last defendant’s action is disposed.”*

Insufficient training and computer programming errors have resulted in inaccurate SRS data being submitted to OSCA. The number of judges assigned to each circuit court is based on this case information and could be impacted if not reported correctly to OSCA.

**Recommendations:**

- The exceptions noted above should be corrected and amended SRS reports should be filed with OSCA.
- The applicable sections of the SRS Manual should be reviewed with staff to ensure the correct case descriptions and codes are being entered into the Showcase system. Each civil court clerk should have their own copy of the SRS Manual for reference or access on-line.
- Ensure all civil court case types are properly classified in the Showcase system and that the correct docket codes are being inserted in accordance with SRS Reporting guidelines.
- Verify that the correct civil case information is being extracted from the Showcase system to create the Audit Trail and SRS reports submitted to OSCA.

**Management Response:**

The above noted exceptions are being corrected in the system. After all reports are reviewed and we verify that ShowCase has corrected the above problems, we will resubmit 3 years of SRS data to OSCA.

The Courts Director is reviewing the SRS manual with supervisors to make sure we are reporting correctly. The Assistant Director of Civil has contacted Miriam Jugger, OSCA - Court Services, to answer any questions regarding case types. We are working on additional training for all court clerks that will include SRS guidelines. In addition, we will make the manuals available on the shared drawers in the computer.

The Courts Director has verified all of the civil case types in ShowCase. If a case type is updated, the system automatically updates the docket code.

The Assistant Director is verifying that the ShowCase system is accurately reporting to SRS and that the audit trails match the reports.

The dispositions are automated in ShowCase so that the clerk does not have to enter a disposition in a separate area. This will decrease the ability to incorrectly report any case dispositions.

**2) Civil Cover Sheets were not properly completed.**

3.61% of Civil Cover Sheets for new cases selected for testing were not properly completed (10 of 277).

- The wrong case type was noted on eight cover sheets as compared to case file documentation.
- The monetary value was not specified on two foreclosure cover sheets.

OSCA requires a Civil Cover Sheet be completed by the Plaintiff's attorney for all new case filings. The attorney is responsible for documenting the type of civil case being filed. In addition, OSCA recommends the Civil Court Clerk use the case type on the Civil Cover Sheet for SRS reporting purposes. Civil court clerks are able to enter a different SRS description in Legacy if the case type on the Civil Cover Sheet does not agree with the complaint filed. However, the Assistant Director of Civil Courts does not encourage this, since OSCA has informed court directors that the county will not be penalized if it is determined that the attorney noted the wrong case type on the Civil Cover Sheet. For all ten cases, the SRS description on the Audit Trail and SRS reports was correct.

**Recommendation:**

- Establish written policies to outline process for verifying case type.
- Contact attorneys requesting that they document the correct case type on the Civil Cover Sheet, in particular indicating the monetary value of foreclosure cases.

**Management Response:**

As we are preparing the documentation for training, we will write procedures for verifying the case type.

Attorneys are being contacted when the cover sheet does not match the petition that is filed. We request an amended cover sheet.

An article was written by Judge Martin that explained how important the civil cover sheet is for determining the need for additional judges. This is being published in the adverse witness.

### **3) Fees not properly charged on re-open cases.**

5.5% of Re-open cases selected for testing were not assessed a re-open fee (3 of 54).

- Two of the three cases were Domestic Relations involving petitions for child support. In most instances, the Department of Revenue (DOR) files petitions on behalf of the plaintiff. Per F.S. 28.345 – Exemption from court related fees and charges, state agencies are exempt from paying court fees, including re-open fees. For these two cases, the child’s custodian, not DOR, filed the petition and is subject to a re-open fee. The third case was a foreclosure and is also subject to a re-open fee.

The inconsistent assessment of re-open fees reduces court related revenue submitted by the Clerk to the State of Florida. The state uses these revenue figures to determine the Clerk’s annual budget appropriation.

#### **Recommendations:**

- Establish written policies for the assessment of court related fees.
- Review the criteria for assessing re-open fees with staff.

#### **Management Response:**

The assessment of court related fees is being automated in ShowCase. This will remove any chance of the reopen fee not being assessed.

## **CONCLUSION**

OSCA audit procedures define compliance as an error rate of less than 5% for new filings in each court division. These audit procedures, though, do not include testing of disposed and re-open cases. With error rates of 3.6% and 3.61%, respectively, the first two observations noted above would not have warranted an audit comment from OSCA. However, with the recent conversion to Showcase, it is imperative that the integrity of civil case information in the Showcase system be validated and that the Audit Trail and monthly SRS reports comply with SRS reporting guidelines. In addition, it is critical that court fee revenues be maximized, since it is the driving factor in the state’s determination of the Clerk’s annual budget appropriation. The cooperation of civil court management and staff during this audit was greatly appreciated.

#### **Additional Management Comments:**

Although the findings noted above resulted in an error rate below OSCA’s 5% compliance threshold, management recognizes the conversion to the ShowCase system as an opportunity to ensure controls are in place to prevent SRS reporting errors.