

Sonoma County

Auditor-Controller-Treasurer-Tax Collector

Internal Audit Report

# Post Implementation Review of the Sirron and CivilServe Systems Civil Bureau Sonoma County Sheriff's Office

For the Fiscal Year Ended  
June 30, 2016

Engagement No: 3470  
Report Date: April 30, 2016



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Civil Bureau Sonoma County Sheriff's Office  
Engagement No. 3470**

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## Executive Summary

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The Sonoma County Sheriff Civil Bureau's (Civil Bureau) primary functions are to assist the general public and State entities in serving civil court judgment documents and collecting and disbursing funds as required by those judgments. The Civil Bureau uses an automated case management system to manage its day-to-day operations. In 2015, the Civil Bureau upgraded its case management system from a system called "Sirron" to one called "CivilServe".

The Civil Bureau Management requested the Internal Audit Division of the Sonoma County Auditor-Controller-Treasurer-Tax Collector's Office (ACTTC) to perform certain post system implementation procedures to gain assurance that 1) data contained in Sirron was accurate 2) data transferred from Sirron to CivilServe is accurate and complete, 3) CivilServe performed certain functions accurately, and 4) adequate procedures were in place to reconcile CivilServe with the County's financial accounting system called Enterprise Financial System (EFS).

The review was completed as part of the 2015/2016 Annual Audit Plan.

Based on a review of 30 open cases, we concluded the following:

- Court orders were accurately entered into Sirron and were accurately transferred from Sirron to CivilServe.
- Payments recorded in Sirron and CivilServe were applied to correct accounts and were in accordance with applicable court orders or the law.
- Sirron and CivilServe systems overall calculated account balances and interest income accurately. However, we noted some immaterial errors in interest calculations within the CivilServe System. The department should follow up with the CivilServe System vendor to determine the cause of such errors and update the system as necessary.
- The procedures to reconcile CivilServe with EFS are properly designed to timely identify errors and irregularities in the Civil Bureau's trust fund transactions.

We recommend Civil Bureau Management work with the vendor to ensure the issues identified are addressed and resolved. As of the end of our review, all issues identified were resolved (see page 5.)

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## Introduction and Background

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### Introduction

The ACTTC completed certain post system implementation procedures relating to the implementation of “CivilServe”; a case management system used by the Civil Bureau. We conducted these procedures in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). These Standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve review objectives. We believe that the evidence obtained provides a reasonable basis for the results, observations, and recommendations contained in our report.

The Civil Bureau Management requested the assistance of the Internal Audit Division of the ACTTC to help identify and perform certain post system implementation procedures that would provide assurance that 1) data contained in Sirron was accurate 2) data transferred from the old system was accurate and complete, 3) the new system performs certain functions accurately, and 4) adequate procedures were in place to reconcile CivilServe with the County’s financial accounting system (EFS).

### Background

The Civil Bureau’s primary functions are to assist the general public and State entities in serving civil court judgment documents, and collecting and disbursing funds as required by those judgments. Activities performed by the Civil Bureau include but are not limited to serving of summons, complaints, subpoenas, eviction notices civil protection orders, executing court ordered garnishments and receiving and disbursing funds in accordance with court judgments. The Civil Bureau is also responsible for serving a number of other civil judgment related documents.

Annually, the Civil Bureau opens approximately 4,600 new case files and processes approximately 15,000 payments. An automated case management system is used to maintain detailed records of the cases handled. In 2015, the Civil Bureau implemented a new case management system.

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## Objectives and Scope

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### Objectives

The primary objectives of the review were to determine whether:

- 1) Court orders were accurately entered into Sirron and transferred to CivilServe.
- 2) Collections were applied to correct accounts in Sirron as well as in CivilServe.
- 3) Debtor payments were made as ordered by the court or as allowed by the law.
- 4) The new system accurately calculated account balance and interest income.
- 5) The Civil Bureau's monthly trust fund reconciliation procedures were designed to timely identify errors and irregularities in civil case transactions.

### Scope

The scope of our work was limited to reviewing one reconciliation for February 2016 and 30 open case files with judgment dates ranging from April to July 2015 (sample).

The review included inquiry, observation, and limited testing of documentation, supporting compliance with relevant government code sections, and County policies and procedures.

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## Procedures

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For the sample we performed the following procedures:

- 1) Traced the following information from the court documents to the Sirron case management system: plaintiff and defendant names, court file number, service type, initial judgment, fixed interest (per writ of execution) and issuance fees.
- 2) Traced other fees from the Sirron system to the department's fee schedule and applicable government code sections.
- 3) Verified data mapping between the two systems. This was accomplished by reviewing status update reports and work performed by the vendor showing they had mapped the data to be transferred over to the new system.
- 4) Obtained data migration confirmation. Verified that the total account balance in both systems had been reconciled. Verified the number of files extracted from Sirron and the number of files that were imported into CivilServe.
- 5) Traced information obtained from the Sirron case management system to CivilServe system including: plaintiff and defendant names, court file number, service type, initial judgment, fixed interest, issuance fees, payments, interest charges and account balance.
- 6) Verified that partial payments were credited in the order established by the California Code of Civil Procedure 695.220. Partial payments are to be first applied to satisfy accrued interest, followed by cost (allowable fees) and the remaining balance to satisfy the unpaid principal.
- 7) Agreed payments recorded in the debtor ledger with the payments recorded in the creditor ledger.
- 8) Independently recalculated account balance and agreed to the system balance.
- 9) Independently recalculated the interest income balance and agreed to the interest income recorded in the system.
- 10) Reviewed monthly trust reconciliation process, performed a walkthrough and determined whether the monthly reconciliation procedures are designed to timely identify errors and irregularities in civil case transactions.

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## Results

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### **Objective #1: Determine whether court orders were accurately entered.**

Based on the results of our tests on the sample, it appears that court orders were accurately entered in Sirron and were accurately transferred to CivilServe.

To determine whether court orders were accurately entered in Sirron, we reviewed 30 open civil case files and traced key information obtained from the court documents to the Sirron System. We considered key information to be, Plaintiff and Defendant names; court file number; service type; initial judgment; fixed interest (per writ of execution), and issuance fees.

To determine whether “other fees” in Sirron were accurate, we used the same sample of civil case files discussed above and compared the “other fees” to the Sheriff’s fee schedule and applicable government code sections. The “other fees” contained in the Sirron case files we reviewed, matched the Sheriff’s fee schedule and applicable government code sections without exception. The results were traced to the CivilServe System.

To determine whether case file information in Sirron (old system) was accurately transferred into CivilServe (new system), we reviewed the vendor’s data mapping process between the two systems and vendor test work.

We reviewed the following information:

- Implementation Updates/Status Reports
- Testing and Testwork Review and Approval
- Data Migration Testwork

No exceptions were noted.

### **Objective #2: Determine whether collections were correctly applied to debtor accounts.**

Based on the results of our tests on the sample, it appears that collections were correctly applied to debtor accounts in Sirron as well as CivilServe.

We used the sample of civil case files from objective 1, and recalculated debtor account balances after the application of debtor partial payments to determine whether amounts collected from debtors are first applied to the accrued interest, then to the cost (allowable fees) and then to the unpaid principal. Partial payments are any amounts received from the debtor that are less than the debtor’s outstanding balance.

No exceptions were noted.

### **Objective #3: Determine whether debtor payments were made as ordered by the court or as allowed by the law.**

We determined the payments did not exceed initial judgment amount plus allowable interest and fees and debtor and creditor names were agreed to the court documents.

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## Results

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For the sample, we recalculated debtor account balances to ensure that they did not exceed the initial judgment amount plus allowable interest and fees.

No exceptions were noted.

### **Objective #4: Determine whether the system calculated account balance and interest income correctly.**

Based on the results of the tests we performed on the sample, it appears that, overall, the CivilServe system accurately calculates interest in compliance with applicable government code(s). However we noted a few exceptions (see observations 1 and 2 below).

The Sheriff's Civil Bureau is relying upon the automated case management system for interest income calculation. A Civil Bureau representative enters daily interest in the system based on the writ of execution. Once entered, if the Annual Percentage Rate (APR) is over 10% then the representative must change it to be equal to or less than 10%. Per code of civil procedure - section 685.010, no more than ten percent (10%) interest APR can be added to the judgment amount from the day it is entered in court until it is paid in full.

For the sample, we independently recalculated the interest income balance and agreed it to the interest income recorded in the system.

#### **Observation #1:**

In 12 out of the 30 case files we reviewed, interest was incorrectly charged by a minor amount (\$0.01-\$0.90) on the Sheriff's cost recovery charges and fees. Cost recovery charges allowed by the government code sections, include items such as assessment fees on disbursement (CA Gov. Code 26746), bank levy fee (CA Gov. Code 26721), and earnings withholding order fee (CA Gov. Code 26750). Fees are established by the various CA government code sections as a fixed amount and no other charges, like interest, can be applied to the fees. Prior to the completion of the review, the Department worked with the vendor to implement a fix in the system to remove interest charges associated with fees.

#### **Observation #2:**

Sirron was charging an interest starting on the issue date of the Writ of Execution. According to CivilServe the interest should be charged starting on the day after the issuance of Writ of Execution. Because of the one day discrepancy between the two systems in some instances the new system shows a refund of one day's worth of interest that was charged according to the old system. Prior to the completion of the review, the Department worked with the vendor to implement a fix in the system to eliminate the one day's worth of interest discrepancy.



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## Results and Staff Acknowledgement

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**Objective #5: Civil Bureau's Trust Fund monthly reconciliation procedures are designed to timely identify errors and irregularities in civil case transactions.**

We determined that Civil Bureau's Trust Fund monthly reconciliation procedures are designed to timely identify errors and irregularities in civil case transactions

We reviewed the February 2016 Civil Bureau Trust Fund reconciliation. We confirmed that an account clerk reconciled the fund balance from the CivilServe system to the EFS. The reconciliations are reviewed by the Sheriff's Supervising Accountant. All variances are investigated.

We noted no exceptions.

### **Staff Acknowledgement**

We would like to thank Monique Chapman, Marta Peavey and Shellie Olson at the Sheriff's Office for their time, information, and cooperation throughout the review.