Audit Brief

Sheriff's Civil Process Section

Improve Controls and Efficiencies In the Revenue Cycle While Demonstrating Commendable Commitment to Public Safety and Performing Due Diligence

Why we did this audit

We performed this audit at the request of the Sheriff.

Background

The Sheriff's Civil Process Section is a county office under the direction of the Sheriff. The Sheriff has the statutory duty of providing service of process to civil and criminal cases. The Sheriff also has the responsibility for enforcement of civil process resulting from court judgments. Under statutory authority and requirement, the sheriff appoints deputies who are County employees to fulfill these functions. The Civil Process Section provides service of process for cases received from Clark County District Court, Justice Courts, and other jurisdictions throughout the United States.

Financial and operational transactions are processed in the Civil Serve computer application. Fees and commissions as allowed by statute are charged for providing service. There is no charge for the service of protective orders which represent the majority of documents received at 71%. Total receipts for the audit period totaled $2 million, including $94,596 of civil fees and $322,674 in commissions.

Audit Period

Our procedures covered the period from October 1, 2009, through June 30, 2010.

Summary of Significant Findings

We found significant weaknesses in internal controls due to office practices not following established policies and procedures, segregation of duties, and lack of policies and procedures for other controls that should be in place. We are unable to conclude that all documents are recorded and that monies received are deposited in their entirety, as documents and related monies received are sometimes returned to the sender without being receipted. Further, adequate documentation for the returns is not maintained, and significant weaknesses exist in controls. We also found that revenue and related agency fund transactions that are recorded are significantly supported, appropriately processed, and receipted amounts are deposited in their entirety in a timely manner in accordance with governing laws and regulations with exception.

- Billing and subsequent collections process substantially slowed down the timeliness of the revenue cycle, affecting efficiencies, increasing risk of non-collection, and causing disparity between matching of costs and revenues earned.
- Some civil fees are immediately recorded into the operational fund but are not also immediately recognized as transferred in Civil Serve, causing complicated processes and unnecessary reconciling items for the agency fund reconciliation.
- The status of a few documents was not entered correctly into Civil Serve, causing discrepancies in the list of documents that deputies serve.
- Commissions are not taken on amounts collected on Writ of Attachments once the court has ordered a judgment amount on a Writ of Execution or on levied property not sold.
- Writ of Garnishment in aid of Writ of Attachment are issued by the Civil Process Section when these should be court ordered.

The agency fund was reasonably reconciled and the reconciliation adequately supported.

We Recommend

- Implementation of existing standard operating procedures, adequate segregation of duties, and policies and procedures for identified control weaknesses.
- Collection of civil fees in advance from attorney offices and/or take fees from garnishments/sales proceeds received.
- Use the amount of "clearing checks" from civil fees for transfer fees.
- Develop exception reports to monitor accuracy and correct status of documents.
- Obtain a District Attorney opinion on whether commissions should be taken on the portion of a court ordered judgment that was previously collected on a Writ of Attachment.
- Take commissions on levied property, not sold property.
- Have the courts issue the Writ of Garnishment in aid of a Writ of Attachment in accordance with state statutes.

Noteworthy Accomplishments

The Sheriff's Civil Process Section serves an important function to the community by contributing to public safety through a no fee service of process for protective orders. We determined that 91.5% of protective orders received are attempted to be served within three working days. Also, 96.5%of other documents have a first attempt serve within zero to ten working days, and generally include three or more serve attempts per document, demonstrating due diligence.

Angela M. Darragh, CPA
Acting Audit Director
Clark County Audit Department

June 2011

View the entire report at www.accessclarkcounty.com