



# Wicomico County, Maryland

## OFFICE OF THE INTERNAL AUDITOR

P.O. BOX 870  
SALISBURY, MARYLAND 21803-0870  
410-548-4696  
FAX 410-548-7872

**Steve Roser, CPA, CIA/CRMA, CFE**  
*Internal Auditor*  
**Levin Hitchens III**  
*Assistant Internal Auditor*

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### Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:

Pursuant to Section 305(D) of the Wicomico County Code and Council Resolution No. 106-2017, the Wicomico County Office of the Internal Auditor (IA) performed an Audit of Wicomico County Sheriff Office's (WCSO) Civil Processing Payments procedures. WCSO processes as many as 22,000 Civil Process Payments (papers) annually. The purpose of the audit was to assure proper handling, reporting, and tracking of the payments.

Our office conducted the audit with due professional care, and we planned and performed the audit to obtain an understanding of Civil Processing Payments at the WCSO. The audit focused on gaining an understanding and working knowledge of all aspects of Civil Processing.

IA extends our appreciation to the Wicomico County Sheriff's Office for their timely assistance, cooperation, and input concerning Civil Processing payments.

Respectfully submitted,

*J. Stephen Roser, CPA*

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Internal Auditor

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## Audit Report

### Background

The focus of the audit concerned handling of payments and data entry for WCSO's Records Management Software (RMS). In any given year, over 20,000 papers generating \$200,000 are processed through the Civil Processing department. The WCSO suggested an overall audit designed to help tighten internal controls as well as to increase efficiency.

### Audit Objectives

The objectives of the audit were to:

1. Gain an understanding of the process
2. Evaluate the internal controls
3. Make recommendations (if appropriate)

### Scope and Methodology of the Audit

The audit period examined on a test basis was calendar year 2017. The Scope was open ended. We conducted observations, interviews, and inquiries with appropriate personnel. Additionally, we performed inspections of selected documentation including:

- Receipt Listing Reports
- RMS data
- Deposit Slips
- Checks and itemized lists sent from various County Court Systems

### General Highlights

#### Civil Processing Overview

Courts and individuals use WCSO to deliver court notices, evictions, and written notices. Individuals bring their papers into WCSO to start the process and courts send papers directly to the office routinely. The Police Records Specialist (or substitute if the Specialist is unavailable) receives the papers with payments and then inputs the data into RMS. Each day, the Records Specialist prints a report of records entered and provides the report along with the collected funds to the Accountant who prepares and makes the deposit. Further, the Records Specialist prints a daily report for the Deputies listing any papers that have been assigned and need to be delivered. RMS generates the report from the papers and other information entered into the system.

#### Receiving Payments

When papers are hand delivered to WCSO from an individual, payment is due immediately in the form of cash, check, or money order. Papers that are received from a Court are routinely sent without payment and the Court will send a combined check for numerous papers at the end of the month.

## Records Management Software (RMS)

In any given year, the Sheriff's Office processes over 20,000 papers, which generates approximately \$200,000 in income. To assist in keeping the tens of thousands of records manageable, WCSO uses RMS software by Superior. Within RMS is a Civil Processing Module and it has entry fields for all basic docket information, defendant information, as well as officer and fee information for the service rendered by WCSO. The record also contains the ability to attach a payment receipt that allows for chronological and trackable payment information.

## Conclusion

At this time, we are not able to provide a conclusion for Civil Processing. There are several items in the Schedule of Findings and Recommendations section below that we believe management may desire to address before a conclusion can be provided. We understand that implementation of any changes can take a reasonable amount of time and would like to schedule a follow up with the Sheriff's Office in the future. In the meantime, our office extends any resources or accommodations available to assist in executing the recommendations.

## Schedule of Findings and Recommendations

The findings listed below represent some key issues that bear discussion as an added feature to the audit process. The findings listed do not translate into any wrongdoing but rather present the opportunity for improvement. It is the goal of an internal audit to provide the auditee with information regarding increased security and oversight where needed and the following points are representative of that goal.

### 1. Data Entry

IA tested several Civil Processing records in RMS and found that the entry is too inconsistent to properly test reliably at this time. Two main concerns came to our attention:

- The Sheriff's Fee is not always entered, which defaults to a value of zero. These incorrect zero values sometimes have a receipt for a monetary amount attached to them, which present a contradiction to the dataset.
- Associates may occasionally apply a single check for multiple records to a single record, leaving all other records' pay fields associated with that check blank.

These practices do not promote transparency or ease of accountability. From our understanding of the service, there are instances where WCSO does not collect a fee, following policies set forth by management, which is perfectly acceptable. It would still be advisable to review routinely these zero dollar transactions. As a recommended course of action, we believe everyone that has a role in entering records follow the same written guidelines and procedures, specifying which fields and amounts are necessary. With written procedures in place, the data in RMS should become more consistent which will then provide a dataset that can be verified as well as used for statistical purposes as needed by management.

## 2. Internal Controls

Civil Processing is a small department in the Sheriff's Office and it is common for small departments or organizations to be lacking in some internal controls simply as a side effect of staff having many responsibilities. Even when preventative internal controls cannot be implemented because of a lack of staff, follow up reports with checks and balances need to be in place and enforced to limit the opportunity for ongoing mistakes or fraud. On an ordinary basis, the Records Specialist receives payment from clients, inputs the information into RMS, forwards the deputies their assignments, and provides the Accountant with a one-way report of payments received for deposit. From our observations, there is no other staff using RMS concerning the status of payments.

Occasionally, when a single client presents one check for multiple records, only a single record will have the associated payment. Thus, the remaining records' papers are served with no obvious record of payment. To be clear, all fees for papers in this example were likely collected, but payment is not always easily discernable by looking at a single entry in RMS. To our knowledge, no one is checking the legitimacy of these records. It is our recommendation that WCSO designate a staff member to provide accountability and assurance that all records requiring a fee do in fact have a receipt attached. Further, the staff member should account for all transactions that have a \$0 fee to ensure they are correct.

## 3. Cash Payments

For the period of January to December 2017, only approximately \$1,500 in cash was collected as payment for papers. Since WCSO is not a cash handling facility, management may want to consider a change in its policy and only accept checks or money orders alleviating the risk associated with handling cash. As a dollar amount, this change would affect less than one percent of clients that need the Civil Processing service.

## Auditor's Closing Remark

The Wicomico County Office of the Internal Auditor would like to thank management and staff from numerous internal departments of the Wicomico County Sheriff's Office including their IT Support personnel and the Civil Processing Unit for their timely cooperation and assistance during the audit.