

Report on the

**Office of District Attorney
Thirty-Seventh Judicial Circuit**

Lee County, Alabama

November 1, 2015 through August 31, 2018

Filed: June 28, 2019



**Department of
Examiners of Public Accounts**

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Rachel Laurie Riddle, Chief Examiner



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Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, I submit this report on the results of the examination of the Office of District Attorney, Thirty-Seventh Judicial Circuit, Lee County, Alabama, for the period November 1, 2015 through August 31, 2018.

Sworn to and subscribed before me this
the 15th day of May, 2019.

Alisa Brannon
Notary Public

Respectfully submitted,

Latoshia Williams

Latoshia Williams
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Office of District Attorney
Thirty-Seventh Judicial Circuit
Lee County, Alabama
November 1, 2015 through August 31, 2018**

The Office of District Attorney, Thirty-Seventh Judicial Circuit, Lee County, Alabama, (hereinafter referred to as the “District Attorney”) is responsible for law enforcement activities in the county. This includes the operation and administration of duties for which they were elected or appointed, in accordance with the *Code of Alabama 1975*, Section 12-17-184, which includes, but is not limited to: (1) To attend on the grand juries, advise them in relation to matters of law, and examine and swear witnesses before them; (2) To draw up all indictments and to prosecute all indictable offenses; (3) To prosecute and defend any civil action in the circuit court in the prosecution or defense of which the state is interested; and (4) To, at any time the grand jury is not in session, issue subpoenas and to administer oaths to individuals and examine them as to any violation of the criminal laws of the state. In addition, the District Attorney is responsible for the Restitution Recovery Division which accounts for restitution, District Attorney Fees, and Circuit Court fees for cases in default in the Circuit Court. The Restitution Recovery Division was established by Act Number 95-725, Acts of Alabama. The District Attorney is also responsible for the Worthless Check Unit which accounts for fees from service charges and restitution collected for processing worthless checks. The Worthless Check Unit is established by the *Code of Alabama 1975*, Section 12-17-224. The District Attorney is also responsible for the Child Support Enforcement Fund which accounts for the cost reimbursement and incentive money paid by the State Department of Human Resources for the purpose of enforcing the support obligations owed by absent parents, locating absent parents, establishing paternity and obtaining child and spousal support. The Code of Alabama 1975, Section 12-17-226 through 12-17-226.18, provides for the establishment of a Pre-Trial Diversion program in Lee County.

Honorable Robert T. Treese, III, served as District Attorney during the examination period until his term ended on January 16, 2017. Honorable Brandon Hughes served as District Attorney from January 17, 2017 through the remainder of the examination period.

This report presents the results of an examination of the Office of District Attorney and a review of compliance by the District Attorney with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129.

Findings are numbered and reported by the fiscal year in which the finding originally occurred.

Instances of noncompliance with state and local laws and regulations and other matters were found during the examination as shown on the Schedule of State and Local Compliance and Other Findings and they are summarized below. These instances relate to the period January 17, 2017 through August 31, 2018.

CURRENT FINDINGS

- ◆ 2018-001 relates to the failure of the District Attorney to maintain a cashbook and perform bank reconciliations in accordance with the *Minimum Accounting Requirements for the Office of District Attorney*, prescribed by the Chief Examiner of Public Accounts.
- ◆ 2018-002 relates to the failure of the District Attorney to establish additional accounting procedures for the Worthless Check Unit in accordance with the *Minimum Accounting Requirements for the Office of District Attorney*, prescribed by the Chief Examiner of Public Accounts.

The District Attorney was invited to and attended an exit conference to discuss the results of this examination. Also in attendance were representatives from the Department of Examiners of Public Accounts: Tammy D. Shelley, Audit Manager; and Latoshia Williams, Examiner. The results of this examination were discussed via telephone with the former District Attorney.

*Schedule of State and Local
Compliance and Other Findings*

Schedule of State and Local Compliance and Other Findings
For the Period November 1, 2015 through August 31, 2018

Ref. No.	Finding/Noncompliance
2018-001	<p><u>Finding:</u></p> <p>The <i>Minimum Accounting Requirements for the Office of District Attorney</i>, prescribed by the Chief Examiner of Public Accounts, provide that the District Attorney shall establish internal control procedures, to include the establishment of a control environment that provides reasonable assurance that statutorily required functions of the office are met. These procedures must be in place for all funds and accounts of the District Attorney, and include the following:</p> <ul style="list-style-type: none">✓ A receipt and disbursement register known as a cashbook must be maintained for each account showing the beginning balance, receipts in chronological order and the disbursements by check number along with the ending balance. The receipts and disbursements shall each be categorized by type. The cashbook must include all activity of each account, including debit card and other electronic transactions. A summary of receipts, disbursements and cash balances for each fund maintained by the District Attorney shall be prepared annually for each fiscal period. The ending cashbook balance for each account must be reconciled each month to the bank account.✓ A formal bank reconciliation for all accounts shall be prepared that lists any deposits in transit, outstanding checks and reconciling items, as applicable. Any reconciling items shall be adequately documented. <p>The following internal control deficiencies were noted: (1) A cashbook system of accounting was not accurately maintained. (2) The ending cashbook balances for each account were not reconciled to the bank account.</p> <p>The District Attorney did not have controls and procedures in place to ensure the maintenance of an accurate cashbook and monthly reconciliation of the cashbooks to the bank accounts. As a result, the District Attorney was unable to know the financial position and results of financial operations of the Office of District Attorney. Furthermore, the Office was exposed to the loss of financial assets which would not be detected in a timely manner.</p> <p><u>Recommendation:</u></p> <p>The District Attorney should ensure that adequate internal controls are in place to produce an accurate cashbook system which is reconciled to the bank account monthly.</p>

Schedule of State and Local Compliance and Other Findings
For the Period November 1, 2015 through August 31, 2018

Ref. No.	Finding/Noncompliance
2018-002	<p><u>Finding:</u></p> <p>The District Attorney operates a Worthless Check Unit (the “Unit”) pursuant to the provisions of the <i>Code of Alabama 1975</i>, Section 12-17-224. The <i>Minimum Accounting Requirements for the Office of District Attorney</i>, prescribed by the Chief Examiner of Public Accounts, require the District Attorney to design a complete system of internal accounting controls applicable to the operations of the office, including accounting procedures and internal controls, to ensure proper accounting for and recording of all transactions of the Unit. If any money received has not been disbursed, these amounts must be identified and documentation must be maintained showing why the amount was not paid. Additionally, bank accounts must be reconciled to the book balance each month.</p> <p>The following internal control deficiencies pertaining to the Unit were noted: (1) Monthly computer-generated reports were not maintained to reflect that all money collected has been appropriately disbursed; (2) There was no identification of amounts collect but not disbursed and there was no documentation prepared showing why there were amounts collected which were not disbursed; and (3) Bank accounts were not reconciled monthly to the cash book balance, resulting in amounts being on hand that could not be identified.</p> <p>The District Attorney did not have controls and procedures in place to ensure the proper accounting for and distribution of money collected by the Unit and the identification of any amounts remaining on hand. Additionally, the District Attorney did not have controls and procedures in place to ensure bank accounts were reconciled each month. As a result, all money collected was not distributed and unidentified amounts of money remained on hand at the conclusion of the examination.</p> <p><u>Recommendation:</u></p> <p>The District Attorney should ensure that controls and procedures are in place to ensure the proper distribution of Worthless Check Unit collections and the identification of balances remaining on hand. Additionally, the District Attorney should ensure bank accounts are reconciled each month.</p>

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Financial Information

Summary of Receipts, Disbursements and Cash Balances
November 1, 2015 through August 31, 2018

	District Attorney's Fund	Worthless Check Unit
<u>Receipts</u>		
District Attorney Fees	\$ 209,421.65	\$ 90,277.41
Bail Bond Fees	229,865.59	
Court Fees	666,163.45	
State Incentives and Cost Reimbursements		
Condemnations	9,862.71	
Restitution		162,210.74
Restitution Recovery Fees	146,334.49	
Pretrial Diversion Fees	203,297.44	
Solicitor Fees	1,007,343.47	
Interest	1,942.45	14.99
Donations, Miscellaneous	116,095.66	11.97
Total Receipts	2,590,326.91	252,515.11
<u>Disbursements</u>		
Personnel Costs	2,442,000.00	
Office of Prosecution Services	26,131.26	
Equipment Purchase	116,080.03	
Professional Services	132,599.27	
Repairs and Maintenance	39.38	
Supplies, Memberships, and Dues	222,852.15	
Rentals and Leases	16,220.06	
Transportation Equipment Operation	20,776.59	
Travel	72,956.33	
Utilities and Communications	42,680.53	
Miscellaneous	92,720.16	26.96
Restitution		162,210.74
Total Disbursements	3,185,055.76	162,237.70
Excess of Receipts Over/(Under) Disbursements	(594,728.85)	90,277.41
<u>Operating Transfers In/(Out)</u>		
Transfers In	90,277.41	
Transfers Out		(90,277.41)
Total Operating Transfers	90,277.41	(90,277.41)
Excess of Receipts and Transfers In Over/ (Under) Disbursements and Transfers Out	(504,451.44)	
Cash Balances - November 1, 2015	1,471,374.93	
Cash Balances - August 31, 2018	\$ 966,923.49	\$

Child Support Enforcement		
Fund		Total
\$	\$	299,699.06
		229,865.59
		666,163.45
2,105,873.88		2,105,873.88
		9,862.71
		162,210.74
		146,334.49
		203,297.44
		1,007,343.47
2,835.21		4,792.65
		116,107.63
<u>2,108,709.09</u>		<u>4,951,551.11</u>
1,435,050.00		3,877,050.00
		26,131.26
		116,080.03
1,590.00		134,189.27
		39.38
16,722.97		239,575.12
14,400.00		30,620.06
		20,776.59
1,782.36		74,738.69
282.00		42,962.53
8,241.35		100,988.47
		162,210.74
<u>1,478,068.68</u>		<u>4,825,362.14</u>
<u>630,640.41</u>		<u>126,188.97</u>
		90,277.41
		<u>(90,277.41)</u>
630,640.41		126,188.97
<u>528,659.77</u>		<u>2,000,034.70</u>
<u>\$ 1,159,300.18</u>	<u>\$</u>	<u>2,126,223.67</u>

Office of District Attorney
 Thirty-Seventh Judicial Circuit
 Lee County

Description and Source of Funds

The following is a brief summary and description of the different funds that are utilized by the Office of District Attorney, Thirty-Seventh Judicial Circuit, Lee County, Alabama, for the period November 1, 2015 through August 31, 2018.

- ◆ **District Attorney's Fund** – accounts for court fees received from the Circuit Clerk in Lee County and for fees received from the Worthless Check Unit for processing worthless checks and disbursements made to defray the reasonable expenses incurred by the District Attorney and the administrative expenses of the Worthless Check Unit program.

- ◆ **Worthless Check Unit** – accounts for fees from service charges and restitution collected for processing worthless checks. The Worthless Check Unit is established by the *Code of Alabama 1975*, Section 12-17-224.

- ◆ **Child Support Enforcement Fund** – accounts for the receipt and disbursement of cost reimbursement and incentive money paid by the State Department of Human Resources for the purpose of enforcing the support obligations owed by absent parents, locating absent parents, establishing paternity and obtaining child and spousal support.