

Report on the

Office of Circuit and District Courts

Tuscaloosa County, Alabama

January 1, 2016 through August 31, 2021

Filed: September 9, 2022



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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

Dear Madam:

An examination was conducted on the Office of Circuit and District Courts, Tuscaloosa County, Alabama, for the period January 1, 2016 through August 31, 2021. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads "Roderick Edwards". The signature is written in a cursive style.

Roderick Edwards
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

SUMMARY

**Office of Circuit and District Courts
Tuscaloosa County, Alabama
January 1, 2016 through August 31, 2021**

The Office of Circuit and District Courts, Tuscaloosa County, Alabama, (hereinafter referred to as the “Courts”) receipts, disburses, and otherwise accounts for court costs, fines, forfeitures, fiduciary funds, and other miscellaneous receipts for cases under the Courts’ jurisdiction. The amounts collected are then distributed to various state and local entities as ordered by the Courts and in accordance with state and local laws and regulations. The Circuit Clerk, an elected official, is responsible for overseeing the operations of the Circuit and District Courts. The duties of the Circuit Clerk and District Court Clerk are enumerated in the *Code of Alabama 1975*, Sections 12-17-93 and 12-17-94. Pursuant to the *Code of Alabama 1975*, Section 12-17-161(c), the separate office of the clerk of district court in Tuscaloosa County was abolished effective February 28, 2018 and combined with the clerk of circuit court.

Honorable Magaria H. Bobo served as Circuit Court Clerk from January 1, 2016 through February 28, 2018 and Circuit and District Court Clerk from March 1, 2018 through the end of the examination period.

The Circuit and District Court Clerk maintains a special fund known as the Circuit Clerk’s Fund that was created pursuant to the *Code of Alabama 1975*, Section 12-17-225-4. The Circuit and District Court Clerk receives twenty-five percent (25%) of a thirty percent (30%) collection fee for any delinquent court ordered payments that are 90 days old and have been collected by the District Attorney. This twenty-five percent of the collection fee is deposited in the Circuit Clerk’s Fund and is used for general office operations.

The Circuit and District Court Clerk maintains a special fund known as the Circuit Clerk’s Judicial Administration Fund created pursuant to the *Code of Alabama 1975*, Sections 12-19-310 and 12-19-311. The Circuit and District Court Clerk receives portions of the docket fee and bail bond fee increase provided for by these statutes and is used to support the clerk’s office operations and to promote the efficient administration of justice.

This report presents the results of an examination of the Courts and a review of the Court's compliance 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.

FINDINGS

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 Legal Compliance and Other Findings and they are summarized below.

- ◆ 2021-001 relates to the Circuit Clerk's failure to perform bank reconciliations in a timely manner. This finding was previously reported as Finding 2013-001.
- ◆ 2021-002 relates to the Circuit Clerk's failure to properly post investments and corresponding interest into the accounting system. This finding was previously reported as Finding 2013-004.
- ◆ 2021-003 relates to the Circuit Clerk's failure to maintain adequate records for the Circuit Clerk's Fund and Circuit Clerk's Judicial Administration Fund.
- ◆ 2021-004 relates to the Circuit Clerk's failure to properly post credit card receipts into the accounting records.

EXIT CONFERENCE

The Official was invited to and attended an exit conference to discuss the results of this report. Representing the Department of Examiners of Public Accounts were: Joshua D. Taylor, Audit Manager; and Roderick Edwards, Examiner.

*Schedule of State and Local
Compliance and Other Findings*

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through August 31, 2021

Ref. No.	Finding/Noncompliance
2021-001	<p><u>Finding:</u> The Minimum Accounting Requirements for the Office of Circuit and District Courts, prescribed by the Chief Examiner of Public Accounts, under the authority of the <i>Code of Alabama 1975</i>, Section 41-5A-21, require all bank accounts to be reconciled to the cashbook on a monthly basis. Additionally, an analysis must be made of any balances on hand, identifying balances by style of case, case number and the reason for non-remittance. The analysis of balances should agree with the cashbook balance. Tests performed during the examination indicated bank reconciliations were not properly performed for the Circuit Civil, Circuit Criminal, District Civil and District Criminal bank accounts. Policies and procedures were not in place to ensure all bank accounts were reconciled on a monthly basis. As a result, the Tuscaloosa Office of Circuit and District Courts failed to comply with minimum accounting requirements regarding bank reconciliations. This finding was previously reported as Finding 2013-001.</p> <p><u>Recommendation:</u> The Office of Circuit and District Clerk should implement policies and procedures to ensure compliance with the Minimum Accounting Requirements for the Office of Circuit and District Courts relating to monthly bank reconciliations.</p>
2021-002	<p><u>Finding:</u> The Minimum Accounting Requirements for the Office of Circuit and District Courts, prescribed by the Chief Examiner of Public Accounts, under the authority of the <i>Code of Alabama 1975</i>, Section 41-5A-21, require the Circuit and District Courts to maintain a list of all investments and trusts being held in the Court's name. Investment accounts must be maintained in the State Judicial Information System (SJIS) and reports printed from the financial reports screen. All activity, including receipts, interest and disbursements from these funds should be posted into the accounting system and reconciled on a monthly basis. Tests performed during the examination revealed several instances where investments and corresponding interest were not posted into the accounting system. The Tuscaloosa Office of Circuit and District Courts failed to implement policies and procedures to ensure compliance with the minimum accounting requirements and, as a result, the Office of Circuit and District Courts did not comply with the minimum accounting requirements related to investments and trusts. This finding was previously reported as Finding 2013-004.</p> <p><u>Recommendation:</u> The Circuit Clerk should implement policies and procedures to ensure compliance with the Minimum Accounting Requirements for the Office of Circuit and District Courts relating to investments and trusts.</p>

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through August 31, 2021

Ref. No.	Finding/Noncompliance
2021-003	<p><u>Finding:</u> The Minimum Accounting Requirements for the Office of Circuit and District Courts, prescribed by the Chief Examiner of Public Accounts, under the authority of the <i>Code of Alabama 1975</i>, Section 41-5A-21, require a separate bank account to be maintained for the Circuit Clerk’s Fund and the Circuit Clerk’s Judicial Administration Fund. Additionally, it requires an electronic or manual journal to be maintained accurately representing all payees, payors, deposits, disbursements, balances, and explanations for all transactions. During the examination period, an adequate journal noting receipts, disbursements and balance was not maintained by the Tuscaloosa Office of Circuit and District Courts. Adequate policies and procedures were not in place to ensure compliance with the minimum accounting requirements. As a result, the Tuscaloosa Office of Circuit and District Courts failed to comply with minimum accounting standards relating to maintaining adequate records for the Circuit Clerk’s Fund and the Circuit Clerk’s Judicial Administration Fund.</p> <p><u>Recommendation:</u> The Circuit Clerk should implement policies and procedures to ensure compliance with the Minimum Accounting Requirements for the Office of Circuit and District Courts relating to maintaining a journal of the activity for the Circuit Clerk’s Fund and Circuit Clerk’s Judicial Administration Fund.</p>
2021-004	<p><u>Finding:</u> The Minimum Accounting Requirements for the Office of Circuit and District Courts, prescribed by the Chief Examiner of Public Accounts, under the authority of the <i>Code of Alabama 1975</i>, Section 41-5A-21, require receipt batch summary lists to be retained with a matching deposit slip or computer record of credit card electronic deposits. Tests performed revealed several instances where credit card electronic deposits were not properly recorded into the accounting system. Adequate policies and procedures were not in place to ensure compliance with the minimum accounting requirements. As a result, the Tuscaloosa Office of Circuit and District Courts failed to comply with minimum accounting standards related to properly recording all deposits.</p> <p><u>Recommendation:</u> The Circuit Clerk should implement policies and procedures to ensure compliance with the Minimum Accounting Requirements for the Office of Circuit and District Courts, relating to recording receipts.</p>

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Financial Information

Summary of Receipts, Disbursements and Balances
January 1, 2016 through August 31, 2021

	Civil Division	Criminal Division	Domestic Relations Division	Juvenile Division	Child Support Division	Total
Beginning Cash Balances - January 1, 2016	\$ 590,380.18	\$ 728,461.29	\$ 6,596.99	\$ 15,940.82	\$ 4,207.55	\$ 1,345,586.83
Beginning Cash Balances - March 1, 2018 - District Court (*)	100,379.84	91,591.53				191,971.37
Receipts	44,535,500.47	24,693,622.11	2,065,844.47	320,809.93	1,550,359.67	73,166,136.65
Total Available for Disbursement	45,226,260.49	25,513,674.93	2,072,441.46	336,750.75	1,554,567.22	74,703,694.85
Disbursements	44,182,639.42	24,929,657.92	2,055,668.70	319,362.95	1,554,507.99	73,041,836.98
Ending Cash Balances - August 31, 2021	\$ 1,043,621.07	\$ 584,017.01	\$ 16,772.76	\$ 17,387.80	\$ 59.23	\$ 1,661,857.87

(*) Effective February 28, 2018, the Office of District Court for Tuscaloosa County was abolished and combined with Circuit Court. The balances for Civil Division and Criminal Division from district court were transferred on March 1, 2018.

Fiduciary Funds on Hand
August 31, 2021

Circuit Civil Division	\$ 6,377,091.14
Domestic Relations Division	<u>16,058.77</u>
Total	<u>\$ 6,393,149.91</u>

Circuit Clerk's Fund
Summary of Receipts, Disbursements and Balance
January 1, 2016 through August 31, 2021

Receipts

Restitution Recovery Fees	\$ 1,334,585.46
Copies	8,412.21
Additional Court Cost	284,553.71
Interest Earned	424.55
Total Receipts	<u>1,627,975.93</u>

Disbursements

Salaries	691,336.90
Office Supplies	21,911.78
Conference Expenses	11,461.97
Miscellaneous	900.73
Total Disbursements	<u>725,611.38</u>

Excess of Receipts Over/(Under) Disbursements	902,364.55
Balance - January 1, 2016 (*)	<u>531,828.22</u>
Balance - August 31, 2021	<u>\$ 1,434,192.77</u>

(*) This amount includes the beginning balances of the Tuscaloosa District Court Clerk's Fund that were combined on March 1, 2018.

***Circuit Clerk's Judicial Administration Fund
Summary of Receipts, Disbursements and Balance
January 1, 2016 through August 31, 2021***

Receipts

Docket Fees	\$ 1,346,255.80
Total Receipts	<u>1,346,255.80</u>

Disbursements

Equipment and Furniture	12,746.77
Salaries	907,854.09
Office Supplies	36,899.53
Conference Expenses	2,080.00
Miscellaneous	8,923.58
Total Disbursements	<u>968,503.97</u>

Excess of Receipts Over/(Under) Disbursements	377,751.83
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Balance - January 1, 2016 (*)	<u>811,297.60</u>
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Balance - August 31, 2021	<u><u>\$ 1,189,049.43</u></u>
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(*) This amount includes the beginning balances of the Tuscaloosa District Court Clerk's Judicial Administration Fund that were combined on March 1, 2018.