



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#123231

PAGE 1 OF 5

DATE: 08/16/2016

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE DOMESTIC RELATIONS OFFICE**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Domestic Relations Office.

BACKGROUND:

As required by Local Government Code, the Auditor's Office performed an audit of the Domestic Relations Office (DRO). The objective of the audit was to determine whether the DRO had effective controls over cash receipts and disbursements, and whether the office had complied with applicable laws, regulations, and County policies during the period October 1, 2015 through December 31, 2015.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
100 E. WEATHERFORD
FORT WORTH, TEXAS 76196-0103
817/884-1205
Fax 817/884-1104

S. RENEE TIDWELL, CPA
COUNTY AUDITOR
rtidwell@tarrantcounty.com

CRAIG MAXWELL
FIRST ASSISTANT COUNTY AUDITOR
cmaxwell@tarrantcounty.com

July 28, 2016

Ms. Christina Glenn, Executive Director, Domestic Relations Office
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Domestic Relations Office

SUMMARY

As required by Local Government Code, we performed an audit of the Domestic Relations Office (DRO). The objective of the audit was to determine whether the DRO had effective controls over cash receipts and disbursements, and whether the office had complied with applicable laws, regulations, and County policies during the period October 1, 2015 through December 31, 2015. Based on performance standards and goals established by the Office of the Attorney General, the DRO exceeded monthly targeted goals and qualified for the maximum incentive payment of \$.40 per case during the audit period. However, we observed the following issues that require management's attention:

- Observation 1 The amounts assessed for the Administration Writ of Withholding Fee and the Closure Fee did not comply with statutes.
- Observation 2 Procedures were not adequate to ensure accurate and timely disbursements to the state for IV-D cases.

During the audit, we discussed these observations with management. Attached is management's written response.

BACKGROUND

The Tarrant County Juvenile Board is the administering entity over the DRO. The DRO consists of four distinct divisions including Family Court Services, Child Support, Legal Enforcement and Community Supervision. The mission of the Child Support Office is to enhance the quality of life for children in Tarrant County by monitoring, collecting and enforcing child support and medical support obligations. The Child Support Office performs the following major services:

- collects, records, distributes court ordered child support payments,
- provides official child support records,
- processes income-withholding orders, and;
- bills and receives all Domestic Relations Office fees

OBSERVATIONS

Observation 1 *The amounts assessed for the Administration Writ of Withholding Fee and the Closure Fee did not comply with statutes.*

Background

Family Code 110.002(a)(3) states that the clerk of the court may collect a filing fee of \$15 in a suit for filing a notice of application for judicial writ of withholding.

Family Code 203.005(a)(3) states that the administering entity may authorize a domestic relations office to assess and collect a reasonable application fee to be paid by an applicant requesting services from the office. The DRO assesses an Application Fee totaling \$50 for new cases. Family Code 110.004 allows an additional fee of \$15 for cases that are closing to terminate income withholding. Therefore, the maximum amount that clients should be charged to close a case is \$65.

Observation

We observed that the amounts assessed for the Administration Writ of Withholding Fee and the Closure Fee did not comply with statutes. The DRO assessed \$30 for the Administration Writ of Withholding Fee, twice the amount allowed by statute, and assessed \$75 for the Closure Fee, \$10 more than the maximum amount allowed by statute. Since fee types are recorded in the system by alphabetic codes (i.e. A, P, V, W) and multiple fee types, and a history of changes to assessed fees did not exist, we could not quantify the total amount of excess payments the DRO received during the audit period. This condition occurred because there is no formal process in place to ensure that assessed fees comply with relevant statutes.

When the auditor communicated this issue, DRO management sent an email on March 23, 2016 to the staff to communicate the correct amounts to assess for both fees.

Recommendation

The DRO should perform and document a periodic review to ensure that all assessed fees comply with statutes.

Observation 2 *Procedures were not adequate to ensure accurate and timely disbursements to the state for IV-D cases.*

Background

According to 45 CFR 302.32, amounts collected for IV-D cases on behalf of the state must be forwarded to the initiating state within 2 business days of the date of receipt by the Disbursement Unit.

Documented policies and procedures related to the handling of cash receipts and payments should exist to provide accountability for monies received in accordance with accepted standards of internal controls.

Observation

During our review, we observed that procedures were not adequate to ensure accurate and timely disbursement to the state for IV-D cases. Specifically, we tested 62 ACH transfers totaling approximately \$1.2 million to determine whether child support payments were disbursed to the state on time and observed one instance where \$18,282 collected on December 30, 2015 was not disbursed to the state until January 12, 2016, or 9 business days later. According to DRO staff, the DRO discovered an error in processing the January 4, 2016 ACH payment transfer upon notification from the state of a possible missing payment. This condition occurred because reconciliation procedures did not exist to detect errors made during the ACH disbursement process. Furthermore, documented policies and procedures did not exist related to the receipt and disbursement of monies collected by the DRO.

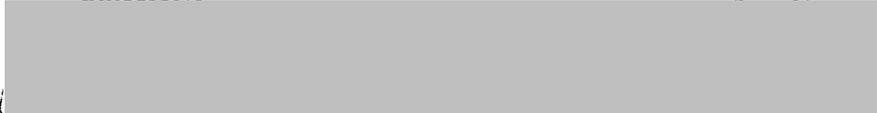
Recommendation

To ensure compliance with statutes and consistent procedures among staff, we recommend that management formally document policies and procedures related to the handling and reconciliation of cash and other monies collected and disbursed by the DRO. The policy and procedures should specifically address detective controls to identify error made during the receipt, recording, and disbursement of funds.

CLOSING REMARKS

We appreciate the assistance and the cooperation of the DRO staff during this audit. If you have any questions, please do not hesitate to call.

Sincerely,



S. Renée Tidwell, CPA
County Auditor

Attachment: Management's response

Distribution: Denise Martin, Assistant Director, Child Support

Audit Team: Kim Trussell, Audit Manager
Brandy Greene, Senior Internal Auditor



TARRANT COUNTY

DOMESTIC RELATIONS OFFICE

CHRISTINA S. GLENN
Executive Director/Attorney

Family Law Center, Second Floor
200 E. Weatherford St.
Fort Worth, Texas 76196-0290
Telephone: 817.884.1015
Facsimile: 817.884.2591

DENISE MARTIN
Director of Child Support
JANET DENTON
Director of Family Court Services
CLINT DUPEW
Director of Legal Enforcement
DONNA LARSON
Director of Community Supervision

August 9, 2016

S. Renee Tidwell
Tarrant County Auditor
100 E. Weatherford
Fort Worth, Texas 76196-0103

Dear Ms. Tidwell:

I have received your report regarding the recent audit of the Tarrant County Domestic Relations Office. Please be assured that we have addressed and corrected any issues noted in your report.

We were very impressed with the thoroughness and professionalism of your audit team, Kim Trussell and Brandy Greene, and we thank you for the opportunity you provided us to make the adjustments necessary to perfect our processes.

Very truly yours,

A rectangular grey box redacting the signature of Christina S. Glenn.

Christina S. Glenn
csg/