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Memorandum

Date: February 19, 2016
From: Roger Trca, Inspector General
To: Shannon Ramsey-Chessman – Chief Operating Officer, Finance
Paul Jones, Chief Information Officer
Cindy Guerra, Esq., Chief Operating Officer – Courts & Official Records
Subject: Banner – ShowCase System Conversion of Registry Funds

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A. Background:

The Clerk & Comptroller's Audit Services Unit (ASU) of the Division of Inspector General has completed its limited scope review of the conversion of registry funds from the Banner system to the ShowCase system. The review was initiated based on a request by the Clerk's Division of Finance Services (Clerk's Finance).

ShowCase is an integrated court case maintenance system. The system includes workflow, calendaring, imaging, indexing, and search capabilities. Also, the system allows the Clerk's office to scan and save all documents electronically, including filings, pleadings, dispositions, citations and receipts. The ShowCase system supporting Criminal Court Services were implemented in 2012 and replaced the Banner Courts System implemented in the Civil Courts in 2003 and in the Criminal Court in 2006. The ShowCase system supporting Civil Court Services was implemented in January 2016. Civil Court Services is responsible for handling all Circuit and County Court civil matters, in addition to Juvenile Delinquency and Dependency matters, in the Main Courthouse and four branch offices located throughout Palm Beach County.

Registry funds are deposited with the court when specifically mandated by Florida Statute or as required by specific court order. Registry deposits can generally be released only on the basis of a court order.

The largest registry fund dollar amounts are generally related to judicial sales (e.g., foreclosure sales). Other frequent (though generally smaller) registry deposits result from court activity such as: landlord actions to collect unpaid rent from tenants,

transfer bonds used to transfer liens from real property to a cash deposit, deposits into the registry to satisfy judgments, and mechanic's liens (e.g., for car repairs or towing fees) that allow immediate release of the motor vehicle from the lienholder. In cases where a mechanic's lien is not satisfied, the lienholder can sell the vehicle to satisfy the amounts due. In such cases, any amount collected in excess of the amounts due must be deposited into the registry.

In eminent domain cases, if the taker of the property is deemed entitled to the property prior to final judgment in the case, the judge may mandate a deposit by the taker into the court registry, pending the final judgment. Otherwise, the deposit into the registry must be made at the date of the taking; it shall be considered void and of no further effect if the deposit is not made within 20 days from the date of the order of the taking.

As of **September 30, 2015**, registry accounts on deposit recorded by Clerk's Finance totaled $56,333,298.41, comprised of general registry balances of $32,175,952.65 and judicial sales deposits totaling $24,157,345.76. As of September 18, 2015, registry balances recorded in the Banner Courts system, adjusted for known anomalies of $2,560,624.77, totaled $51,778,160.85. As of September 18, 2015 the Banner – ShowCase conversion run performed by Information Technology (IT) reflected a registry balance in ShowCase of $66,100,792.60 associated with the cases included in the Banner listing.

At a meeting on November 20, 2015 with IT, Finance and Operations representatives, they presented an update of balances and remaining issues resulting from continued efforts to narrow the differences between the two systems' records. We agreed to update our analysis using our case balance approach and the results are presented in this document. As of **November 10, 2015**, adjusted registry balances recorded in the Banner Courts system totaled $39,653,253.09. At that same date, the conversion run performed by Information Technology reflected a registry balance in ShowCase of $38,608,674.62 associated with the cases included in the Banner listing.

B. Objectives, Scope and Methodology:

The Clerk's Audit Services Unit of the Division of Inspector General initiated a limited-scope review of the registry fund conversion from the Banner system to the ShowCase system.

Our objectives included the following:

- Obtain the registry transaction balances as reported in Banner and ShowCase and perform a reconciliation of the two registry ledgers.
- Identify and analyze exceptions/differences between the registry transactions as reported in Banner and after the conversion run into ShowCase.

Relevant information was gathered from the key clients (Finance, Information Technology (IT), Project Management Office (PMO), and Court Operations) to allow identification of registry ledgers and balances, related processes, procedures, recent system changes implemented to address previously identified registry gaps, controls, and potential vulnerabilities. Management and staff were interviewed as needed.

The scope included elements of registry funds converted from Banner to the ShowCase system. We initially reviewed the Banner and ShowCase listings of registry balances as of August 10, 2015, with an interim update provided to Information Technology, Project Management Office, and Finance management. We conducted a follow up review of the Banner and ShowCase registry balances as of a subsequent conversion run on **September 18, 2015** and again for a conversion run on **November 10, 2015**.

C. Conclusion:

We conducted a reconciliation of the cases with registry balances as of **September 18, 2015** as reflected in the Banner system and conversion into the ShowCase system. Our efforts were concentrated on the dollar balances attributed to each case. We determined there were 14,341 cases that were reported in both the Banner and ShowCase listings.

By coordinating our research efforts with Finance and IT, we determined that of these 14,341 cases:

- 7,568 cases (53%), with registry balances totaling $43,791,850.34, had no variances in the balances reported in the Banner and ShowCase listings;
- 5,818 cases (40%) had variances in registry balances totaling $340,267.80 that could be explained by general root causes (largely involving non-resident cost bonds), though additional actions were required by management to identify and correct the differences; and,
- 955 cases (7%) had variances in registry balances totaling $16,950,438.40 for which the root causes could not be clearly identified. The root causes appeared to depend on the inclusion or non-inclusion by IT of types of transactions considered registry issues by Finance, and the voiding of entire transactions by Operations where only one of multiple checks involved needed to be voided.

In addition, there were 43 cases in Banner totaling $2,936,526.53 that did not have matching case balances and/or case numbers in the ShowCase conversion run. Finally, there were 1,168 case summaries (totaling $4,371,039.70) in the ShowCase conversion run that did not have a matching case number in the Banner listing.

After additional research and reconciliation efforts by IT and Finance, we were requested to conduct a follow-up reconciliation of the cases with registry balances in Banner and conversion into the ShowCase system as of **November 10, 2015**. We determined there were 10,955 cases that were reported in both the Banner and ShowCase listings. Of the total 10,955 case summaries:

- 10,217 cases (93.3%), with registry balances totaling $39,509,148.71, had no variances in the balances reported in the Banner and ShowCase listings;
- 643 cases (5.9%) had variances in nonresident cost bond registry balances totaling $67,400 that could be explained by timing difference between the two systems' recognition of requests for disbursement of balances;
- 33 cases (0.3%) had variances totaling $955,380.67 directly related to the known abnormal balances within Banner – including one case with an abnormal balance of $937,304.30 – which Finance and IT need to continue to work to correct;
- 28 cases (0.3%) had variances totaling $244 representing overpayments on nonresident cost bonds;
- 16 cases (0.1%) had variances totaling $11,573.53 representing disbursement timing issues in other cases; and,
- 18 cases (0.1%) had variances in registry balances totaling $9,980.27 for which the root causes could not be clearly identified.

Additional research and analysis are required by IT and Finance to determine root causes and to take the necessary actions to finalize the reconciliation of the 738 case summaries with variances in registry balances totaling $1,044,578.47.

D. Details of Analysis and Testing Performed:

We obtained the Banner – ShowCase registry conversion run as of **September 18, 2015** produced by Information Technology (IT) and the detailed registry listing reported in the Banner system as of **September 18, 2015** produced by Finance. The IT conversion run listing contained 116,763 line items and when summarized by cases, the listing contained 113,485 cases. The Finance Banner listing contained 39,590 line items and when summarized by cases, the listing contained 14,482 cases.

We imported the files into ACL (data analytics tool) as two tables. We then sorted the two tables in ACL by case ID and created a summary of amounts by case for comparison. To simplify the comparisons, we extracted from the IT summary case listing all cases with non-zero balances, which totaled 15,509 cases. By doing so, we assumed the zero balances in ShowCase were generally not going to be included in the Banner listing used by Finance for analysis, and thus we were able to remove 97,976 cases with zero balances from the IT listing from our analysis.

By combining the Finance listing (Banner) of 14,482 cases with the IT listing (ShowCase) of 15,509 cases in a single table, we determined there were 14,341 cases with registry balances that were reported in both the Finance (Banner) and IT (ShowCase non-zero) listings.

Our analysis and categorization of registry balances by cases (summarized from the Banner and ShowCase listings used by Finance for their reconciliations) reflected the following balances and variances. The table below represents the 14,341 Banner case summaries as compared with the non-zero case summaries from the ShowCase conversion run as of **September 18, 2015**.

Table 1 – Case Balance Comparisons as of 09/18/2015

Number of Cases	Category	Banner Balances	ShowCase Balances	Variance
7,568	No Variances	$43,791,850.34	$43,791,850.34	$ 0.00
2,886	Variance represents nonresident cost bond overpayments refunded	$299,400.00	$325,003.85	$25,603.85
2,932	Variance represents cost bonds refunded	$0.00	$314,663.95	$314,663.95
955	Variance causes not definitively determined	$4,750,383.98	$21,700,822.38	$16,950,438.40
14,431	Total number of cases matched	$48,841,634.32	$66,132,340.52	$17,290,706.20

- In addition, there were 141 (14,482-14,341) other Banner case summaries. These summaries were compared with the zero-balance case summaries reported in the ShowCase conversion run. Of the 141 Banner cases, 98 cases had matching case numbers and zero balances in ShowCase, 39 cases had matching case numbers in ShowCase but different balances, and four had no matching case numbers in the

ShowCase conversion run. The case balances in Banner for the latter 43 cases totaled $2,936,526.53.

- Finally, there were 1,168 (15,509 – 14,341) case summaries with balances in the ShowCase conversion run that did not have a matching case number in the Banner listing. These 1,168 items in ShowCase had balances totaling $4,371,039.70. We sampled 15 cases to determine the cause of these cases not being included in the Finance Banner listing. The 15 cases all included disbursements of amounts not reflected as debits in the IT ShowCase conversion listing. The disbursements included refunds of foreclosure deposits, foreclosure fee overpayments, fees on redemption cases, and overpayments of deposits.

Finance continues to conduct detailed analyses of the conversion runs showing registry balances. Results of the analyses highlighting identifiable causes of the variances were provided to IT for their consideration.

Updated Analysis as of Conversion Run on November 10, 2015

We were requested by management to perform a follow-up analysis based on a conversion run conducted as of **November 10, 2015**. For our update, we again sorted data provided from Banner and from the ShowCase conversion run by case (case ID provided in each set of data). We then summarized the amounts shown in each set of data by case number and compared the Banner data with the ShowCase conversion data for each case that appeared in both sets. Of the total of 10,981 case summaries reflected in the Banner data, 10,955 had matching case ID summaries in the ShowCase data. As was true for the earlier analysis as of **September 18, 2015**, the vast majority of the balances within these cases matched.

The results are reflected in Table 2, with explanations as follows.

Table 2 – Case Balance Comparisons as of 11/10/2015 [1]

Overall, this updated analysis indicates that the variances in registry case balances were reduced from $17.3 million in the conversion run as of **September 18, 2015** to $1,044,578.47 in the conversion run as of **November 10, 2015** (with one case accounting for 90% of this remaining variance).

Number of Cases	Category	Banner Balances	ShowCase Balances	Variance
10,217	No Variances	$39,509,148.71	$39,509,148.71	$ 0.00
28[2]	Variance equals cost bond overpayment balances	$3,144.00	$2,900.00	$ 244.00
643[2]	Variance represents cost bond balances	$67,700.00	$ 300.00	$67,400.00
16[2,3]	Variance represents case balances	$59,157.51	$47,583.98	$11,573.53
18[3]	Variance causes not definitively determined	$14,102.87	$4,122.60	$9,980.27
33[4]	Variance equals known Banner abnormal balance	$0.00	($955,380.67)	$955,380.67
10,955	Total cases matched	$39,653,253.09	$38,608,674.62	$1,044,578.47

[1] Differences shown in this table were calculated by subtracting the ShowCase conversion run balance from the Banner adjusted balance.

[2] These cases show differences between Banner and ShowCase because disbursement requests for the amounts involved have been submitted, but checks have not been issued. In ShowCase those requests immediately reduce the available registry balances, while in Banner the reduction doesn't occur until the check is issued and posted.

[3] These cases include 14 cases with abnormal balances in Banner which Finance did not carry over into the Banner adjusted balance column, and for which the ShowCase balances for the cases **do not equal** the abnormal balances.

[4] These variances represent all cases in which there is a known abnormal balance in Banner which Finance did not carry over into the Banner adjusted balance column, and for which the ShowCase balances for the cases **equal** the abnormal

balances. The majority of the dollar balance in this category resides in one case (2009CA003325) for which the abnormal balance is $937,304.30.

In addition, our analysis of the conversion run as of **November 10, 2015** identified the following:

- The Banner data listed an additional 26 cases (10,981-10,955) which didn't match with the ShowCase conversion run case data. Only 2 of 26 cases had balances ($31.50 and $543.50). Because of the immateriality of these items, we did not research this observation further.

- The ShowCase conversion run data listed an additional 61 line items with balances which didn't match with the Banner data. Those items comprise the category identified by Finance as "cases with $0.00 balance in banner". Because those items are part of the case variance detail report provided to the conversion team, we did not conduct further research on those items.

Recommendation:

Finance should continue its efforts in conjunction with IT and the ShowCase vendor staff to finalize, test, and implement the correction strategy to reconcile the various types of variances that remain in the 738 case summaries with variances in registry balances totaling $1,044,578.47 between Banner and conversion into ShowCase.

Management Response:

It is the goal of Finance, IT, and Operations to be able to validate the correctness of the registry conversion. Based on the research and intensive analysis completed by Finance and IT, the initial variance determined by the investigation for $17.3 million has been reduced to $1,044,578.47, of which one case comprises $937,304.30 of the abnormal variance. Since post go-live, Finance and IT have fixed registries on 137 cases using the script provided by the vendor.
Target Completion Date: 4/29/16

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