

PROJECT CODE
I180-13

JUDICIAL BRANCH
ODYSSEY CASE MANAGEMENT SYSTEM
Information System Audit
March 21, 2014

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STATE AUDITOR

Office of the State Auditor
Division of State Audit

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TABLE OF CONTENTS

Transmittal Letter	1
Executive Summary	2
Significant Recommendations	2
Background Information	3
Financial Summary	3
Objectives, Scope, and Methodology	4
Is security designed to provide access based on a demonstrated need to view, add, change, or delete data?	5
Summary of Audit Work Performed	5
Auditor's Opinion.....	5
Is data consistent, valid, and complete?	6
Summary of Audit Work Performed	6
Auditor's Opinion.....	6
Is the accounts receivable process properly managed?	7
Summary of Audit Work Performed	7
Audit Findings	7
Allowance for Uncollectible Accounts Incorrectly Calculated	7
Unauthorized Write Offs	7
Lack of Reconciliation Procedures	8
Auditor's Opinion.....	8

TRANSMITTAL LETTER

March 21, 2014

The Honorable Jack Dalrymple, Governor
Members of the North Dakota Legislative Assembly
Chief Justice Gerald W. VandeWalle, Supreme Court

Transmitted herewith is the information system audit of the Judicial Branch's Odyssey Case Management System, dated March 21, 2014. This audit resulted from the statutory responsibility of the State Auditor under NDCC § 54-10-01.

Odyssey is a comprehensive court case management system that does the following:

- tracks cases from e-filing to e-disposition,
- integrates document management and workflow, and
- securely manages highly sensitive data.

Odyssey was selected for this audit because it is considered a high-risk information system. Odyssey is considered a high-risk information system because it serves as the primary court case repository for all North Dakota District Court cases, including case management and case financial information. "High-risk" does not necessarily indicate problems with the system, but indicates a higher potential for significant problems to occur.

Inquiries or comments relating to this audit may be directed to Donald LaFleur, Information Systems Audit Manager, by calling (701) 328-4744. We wish to express our appreciation to Chief Justice VandeWalle and his staff for the courtesy, cooperation, and assistance provided to us during this audit.

Respectfully submitted,



Robert R. Peterson
State Auditor

EXECUTIVE SUMMARY

The purpose of this report is to provide our analysis, findings, and recommendations regarding our information system audit of Judicial Branch's Odyssey Case Management System.

Odyssey is a comprehensive court case management system that does the following:

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- integrates document management and workflow, and
- securely manages highly sensitive data.

Odyssey was selected for this audit because it is considered a high-risk information system. Odyssey is considered a high-risk information system because it serves as the primary court case repository for all North Dakota District Court cases, including case management and case financial information. "High-risk" does not necessarily indicate problems with the system, but indicates a higher potential for significant problems to occur.

Significant Recommendations

We reviewed Odyssey and had the following findings:

- Allowance for Uncollectible Accounts Incorrectly Calculated
- Unauthorized Write-Offs
- Lack of Reconciliation Procedures

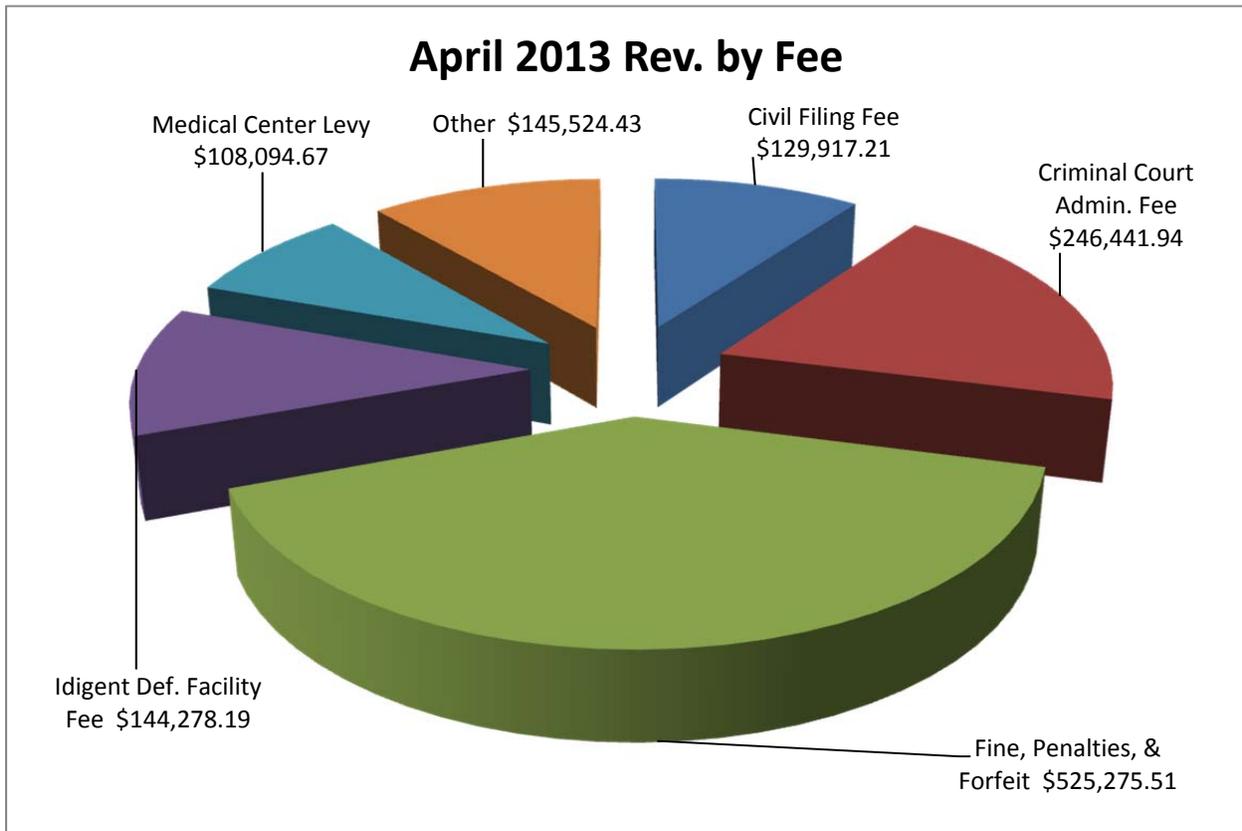
BACKGROUND INFORMATION

System Overview

The Odyssey Case Management System, which was purchased from Tyler Technologies Inc. in 2008, serves as the primary court case repository for all North Dakota district courts as well as several North Dakota municipal courts. The system houses the case docket information, case documents, and case financial information. Odyssey stores all case documents as digital images and is considered a paper-on-demand system. Access to “public” court records is supplied to the general public through the Odyssey public access portal. Access to “restricted” court records and imaged court documents is supplied to the Court’s justice partners via Odyssey’s secure public access portal. Odyssey is a Microsoft SQL based system and is housed on several tiered servers which are maintained by the Court System’s IT department. Software support is provided by Tyler Technologies Inc.

Financial Summary

For April 2013 the Judicial Branch processed approximately \$1,299,531 dollars. The primary revenue sources came from Fines, Penalties, & Forfeiture’s, along with Criminal Court Admin. Fees.



OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of this audit of Odyssey dated March 21, 2014 was to answer the following questions:

1. Is security designed to provide access based on a demonstrated need to view, add, change, or delete data?
2. Is data consistent, valid, and complete?
3. Is the accounts receivable process properly managed?

This audit was conducted in accordance with *Standards for Information Systems Auditing* issued by the Information Systems Audit and Control Association and *Government Auditing Standards* issued by the Comptroller General of the United States.

IS SECURITY DESIGNED TO PROVIDE ACCESS BASED ON A DEMONSTRATED NEED TO VIEW, ADD, CHANGE, OR DELETE DATA?

Summary of Audit Work Performed

We reviewed controls over granting and maintaining access rights. We obtained and reviewed a list of Odyssey roles and their access rights. We reviewed these roles to ensure the access they provided was consistent with their stated purpose. We reviewed policies and procedures for adding, changing, and deleting user access.

Auditor's Opinion

In our opinion, except as noted above, security is designed to provide access based on a demonstrated need to view, add, change, or delete data.

IS DATA CONSISTENT, VALID, AND COMPLETE?

Summary of Audit Work Performed

We reviewed data tables for abnormal values. The majority of the review concentrated on tables supporting financial transactions. We reviewed codes used in these tables to ensure they were found in supporting tables. We reconciled summary tables to detail tables to ensure accuracy.

Auditor's Opinion

In our opinion, data appears to be consistent, valid, and complete.

IS THE ACCOUNTS RECEIVABLE PROCESS PROPERLY MANAGED?

Summary of Audit Work Performed

We tested write-off adjustment transactions. We reviewed the counties' monthly reconciliations. We analyzed collection rates for each county. We reviewed the procedures and amounts used by the Judicial Branch in their calculation of uncollectible accounts. We surveyed county clerk of courts on collection procedures.

Audit Findings

Allowance for Uncollectible Accounts Incorrectly Calculated

We noted all fees were included in their percentage when only state fees should have been used and no comparison to actual results was done. The percentage calculated based on all fees could differ from the percentage based on only state fees and that percentage could change over time. The accounting standards require the base for an accounting estimate uses relevant, sufficient, and reliable data and the comparison of prior accounting estimates with subsequent results.

Recommendation:

We recommend the Judicial Branch recalculate the allowance for uncollectible accounts using only state receivables and compare estimates with actual results.

Agency Response:

We are in agreement with the finding and recommendation. The allowance percentages have been recalculated using only state fees. Although there is only a minor adjustment in the percentage, this data will be used to estimate the allowance for uncollectible accounts and periodically compared to actual results.

Unauthorized Write-Offs

Judicial Branch requires the State Court Administrator to direct write-offs of uncollectible accounts. We tested 50 write-offs and noted 25 were incorrectly coded or not approved. Current controls allow adjustments to be incorrectly coded or write-offs of uncollectible accounts to be entered without approval.

Recommendation:

We recommend controls be implemented to ensure all write-off of uncollectible accounts are properly coded and approved.

Agency Response:

We are in agreement with the finding and recommendation. It was determined that the majority of the incorrectly coded write offs should have been coded as court ordered charge reductions. The clerks were notified of their error. A system generated email alert has been implemented to notify the Court System finance department anytime the write off feature is used. The write offs will be reviewed for any necessary corrective procedure.

Lack of Reconciliation Procedures

There is no reconciliation between receipts recorded on Odyssey and funds remitted to the State Treasurer. This could result in revenue not being properly received and recorded by the State Treasurer. Reconciliations should be performed to ensure the correct amount of money is received and recorded.

Recommendation:

We recommend the Judicial Branch reconcile funds deposited by the State Treasurer to Odyssey.

Agency Response:

We are in agreement with the finding and recommendation. We will compare revenue reports from Odyssey to State Treasurer deposits on a monthly basis.

Auditor's Opinion

In our opinion, except as noted above, the accounts receivable process is properly managed.

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Division of State Audit

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