



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO#135855

PAGE 1 OF 6

DATE: 07/20/2021

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE MEDICAL EXAMINER'S OFFICE, REVIEW OF FINANCIAL AND SYSTEM CONTROLS**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court receive and file the Auditor's Report for the Medical Examiner's Office, Review of Financial and System Controls.

**BACKGROUND:**

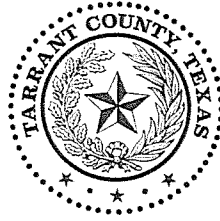
In accordance with Local Government Code, the Auditor's Office performed a review of the Medical Examiner's Office for the nineteen (19) months ended April 30, 2021. The objective of the review was to determine whether controls were adequate over the Medical Examiner's financial processes and various automated systems.

**FISCAL IMPACT:**

There is no direct 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

KIM BUCHANAN, CPA  
FIRST ASSISTANT COUNTY AUDITOR  
kmbuchanan@tarrantcounty.com

June 28, 2021

Dr. Nizam Peerwani, M.D., P.A., Chief Medical Examiner  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

RE: Auditor's Report – Medical Examiner's Office, Review of Financial and System Controls

### SUMMARY

In accordance with Local Government Code, we performed a review of the Medical Examiner's (ME) Office for 19 months ended April 30, 2021. The objective of our review was to determine whether controls were adequate over the ME's financial processes and the various automated systems. While manual control processes exist for the oversight of financial transactions, significant system related control weaknesses continue to exist over the billing process. As previously reported, the ME's Office uses four separate software applications to complete the billing cycle. Because the applications are not integrated, a complete reconciliation between the various applications is not possible. As a result, we cannot provide reasonable assurance that all ME services were appropriately billed, paid, recorded, and subsequently deposited. Our observations and recommendations are described below. We also discussed less significant matters with staff during our review.

### OBSERVATIONS AND RECOMMENDATIONS

1. *Significant system related control weaknesses continue to exist over the billing process.* Since 2009, we have reported significant material weaknesses over the ME's billing process due to the lack of integration between software applications and inadequate segregation of duties between incompatible tasks. Since 2016, the ME's Office and the Information Technology Department (ITD) have worked on a new comprehensive case management system to replace the existing legacy system (*CRYPT*). The new system is expected to go live in July 2021. According to staff, Phase II of the software implementation includes the billing for completed service requests.

Recommendations: As previously recommended, the new case management system should include financial and system control functionality, including but not limited to, the ability to:

- a) Provide integration with the appropriate software application used for billing services performed;
  - b) Flag agencies with unpaid accounts receivable balances and provide periodic reports for management's review of the accuracy of billings and unpaid balances; and
  - c) Segregate incompatible duties and provide for supervisory review of voided and adjusted transactions prior to execution.
2. *Non-jurisdictional inquest case files, which are defined as a permanent record, were not adequately protected from water damage.* Records Storage Standards, Local Government Bulletin F, defines required minimum storage conditions for permanent records. Furthermore, Section 7.164 (b) requires records to be stored in a manner that offers protection from water damage. The ME's Office stores non-jurisdictional inquest case files on the third floor of the ME's office building. During the weather event in February of this year, the boxes containing inquest files sustained water damage because they were not adequately protected. We also observed some boxes were in stored on the floor instead of on appropriate shelving. According to staff, it is the ME's operating practice to scan files into *CRYPT*.

Recommendation: We recommend staff consult with ITD's Records Management Services staff to ensure that all records, including non-jurisdictional inquest cases, are physically protected and electronically stored in compliance with statute.

## **BACKGROUND**

Tarrant County contracts the operation of forensic services with Dr. Peerwani's Professional Association (PA). The contract is a five-year renewable professional service contract that requires the PA to provide all professional services, as defined by the Texas Professional Association Act. In September 2019, the Commissioners Court approved an exemption to the competitive bidding requirements as allowed by Chapter 262 of the Local Government Code.

The Commissioners Court provides oversight and the necessary facilities, equipment, supplies, and support staff for the operation of the PA. The County's contract with the PA is a unique arrangement in that it allows the ME to engage in private practice. While the PA employs no County employees, the contract between the PA and the County allows for a potential conflict of interest.

The Commissioners Court approved the ME's District Agreement between Tarrant County and Denton, Johnson, and Parker counties, which requires each county to pay quarterly installments to the Auditor's Office. The PA also provides services to justices of the peace and law enforcement agencies in other counties (non-jurisdictional services) on a fee-per-case basis in accordance with the annual fee schedule adopted by the Commissioners Court.

For the review period ending April 30, 2021, service revenue collected was approximately \$5.4 million. Expenses for that same period were approximately \$17.2 million, which included both capital and operating expenses.

**CLOSING REMARKS**

Attached is management's written response to this report. We appreciate the cooperation of the ME staff. Please call me if you have any questions regarding the contents of this report.

Sincerely,

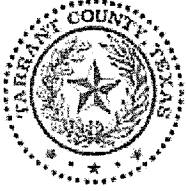


S. Renée Tidwell, CPA  
County Auditor

*Attachment:*  
Management's response

*Distribution:*  
Christopher Nchopa-Ayafor, Chief Information Officer  
Tracye Poirier, Medical Examiner's Technical and Administrative Director  
Kelly Clark, Medical Examiner's Business & Technical Operation Manager

*Audit Team:*  
Kim Buchanan, First Assistant County Auditor  
Brandy R. Greene, Senior Internal Auditor



## OFFICE OF CHIEF MEDICAL EXAMINER AND FORENSIC LABORATORIES

200 Feliks Gwozdz Place • Fort Worth, Texas 76104

817.920.5700 phone • 817.920.5713 fax

**NIZAM PEERWANI, M.D.**  
**CHIEF MEDICAL EXAMINER**

June 29, 2021

Honorable District Judges  
Honorable County Commissioners

### MEDICAL EXAMINER'S RESPONSE TO REVIEW OF FINANCIAL AND SYSTEM CONTROLS

I would like to take this opportunity to commend the Auditor and her staff for their thoroughness and professionalism. We appreciate the suggestions and recommendations to that will help us improve business practice at the Tarrant County Medical Examiner's Office to safeguard County assets.

### OBSERVATIONS AND RECOMMENDATIONS

1. Significant system related control weaknesses continue to exist over the billing process. Since 2009, we have reported significant material weaknesses over the ME's billing process due to the lack of integration between software applications and inadequate segregation of duties between incompatible tasks. Since 2016, the ME's Office and the Information Technology Department (ITD) have worked on a new comprehensive case management system to replace the existing legacy system (CRYPT). The new system is expected to go live in July 2021. According to staff, Phase II of the software implementation includes the billing for completed service requests.

Recommendations: As previously recommended, the new case management system should include financial and system control functionality, including but not limited to, the ability to: Auditor's Report – Medical Examiner's Office, Review of Financial and System Controls:

- a) Provide integration with the appropriate software application used for billing services performed;
- b) Flag agencies with unpaid accounts receivable balances and provide periodic reports for management's review of the accuracy of billings and unpaid balances; and
- c) Segregate incompatible duties and provide for supervisory review of voided and adjusted transactions prior to execution.

RECEIVED

JUL 01 2021

AUDITOR-YC

TARRANT COUNTY MEDICAL EXAMINER'S DISTRICT  
SERVING TARRANT, DENTON, JOHNSON AND PARKER COUNTIES

Accredited by National Association of Medical Examiners

**MEDICAL EXAMINER RESPONSE:**

The Tarrant County Medical Examiner's Office agrees with the recommendations for the new Laboratory Information Management System (REAPER) to include financial and system control functionality. REAPER Phase I is anticipated to go live within the next thirty days and the kick-off of Phase II will begin subsequently with billing functions and account holds set as top priority. Phase II Application Design and Development is scheduled to be complete and sustainable by August 2022.

2. Non-jurisdictional inquest case files, which are defined as a permanent record, were not adequately protected from water damage. Records Storage Standards, Local Government Bulletin F, defines required minimum storage conditions for permanent records. Furthermore, Section 7.164 (b) requires records to be stored in a manner that offers protection from water damage. The ME's Office stores non-jurisdictional inquest case files on the third floor of the ME's office building. During the weather event in February of this year, the boxes containing inquest files sustained water damage because they were not adequately protected. We also observed some boxes were in stored on the floor instead of on appropriate shelving.

Recommendation: The ME's Office should consult with ITD's Records Management Services staff to ensure that all records, including non-jurisdictional inquest cases, are properly stored in compliance with statute.

**MEDICAL EXAMINER RESPONSE:**

The Tarrant County Medical Examiner's Office sends all original records to Justice of Peace upon completion of the non-jurisdictional inquest. The office maintains an electronic copy of the files within our Laboratory Information Management System (LIMS) in addition to a photocopy of the original file to ensure the integrity of records are always maintained.

None of the files were damaged during the weather event in February and only contained a watermark to the outside of the box. All files were intact and transferred to a new box.

In addition, the Tarrant County Medical Examiner's Office successfully procured and installed 39 additional shelving units in May 2021 to expand storage capacity and to adequately protect boxes on the third floor.



Nizam Peerwani, M.D.  
Chief Medical Examiner