



**DIVISION OF INSPECTOR GENERAL
Grant Maloy, Clerk of the Circuit Court and Comptroller
Seminole County, Florida**

July 07, 2020

To: The Honorable Grant Maloy, Clerk of the Circuit Court and Comptroller

We have completed the enclosed Special Review Report of the Clerk's Civil Customer Service Department. Management responses are also included within the report. We would like to acknowledge the Civil Department for their assistance with this review.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "W. Carroll".

William Carroll, CPA, CFE, CIGA, CIG
Inspector General
Division of the Inspector General

Approved by:

A handwritten signature in black ink, appearing to read "Grant Maloy".

Honorable Grant Maloy
Clerk of the Circuit Court and Comptroller
Seminole County



Special Review Report No. 020520
Unannounced Audit
Clerk's Civil Customer Service Department

GRANT MALOY
CLERK OF THE CIRCUIT COURT AND COMPTROLLER

William Carroll, CPA, CFE, CIG, CIGA
Inspector General

Auditor Assigned:
Viola Saine, CPA, MAFM, CIGA

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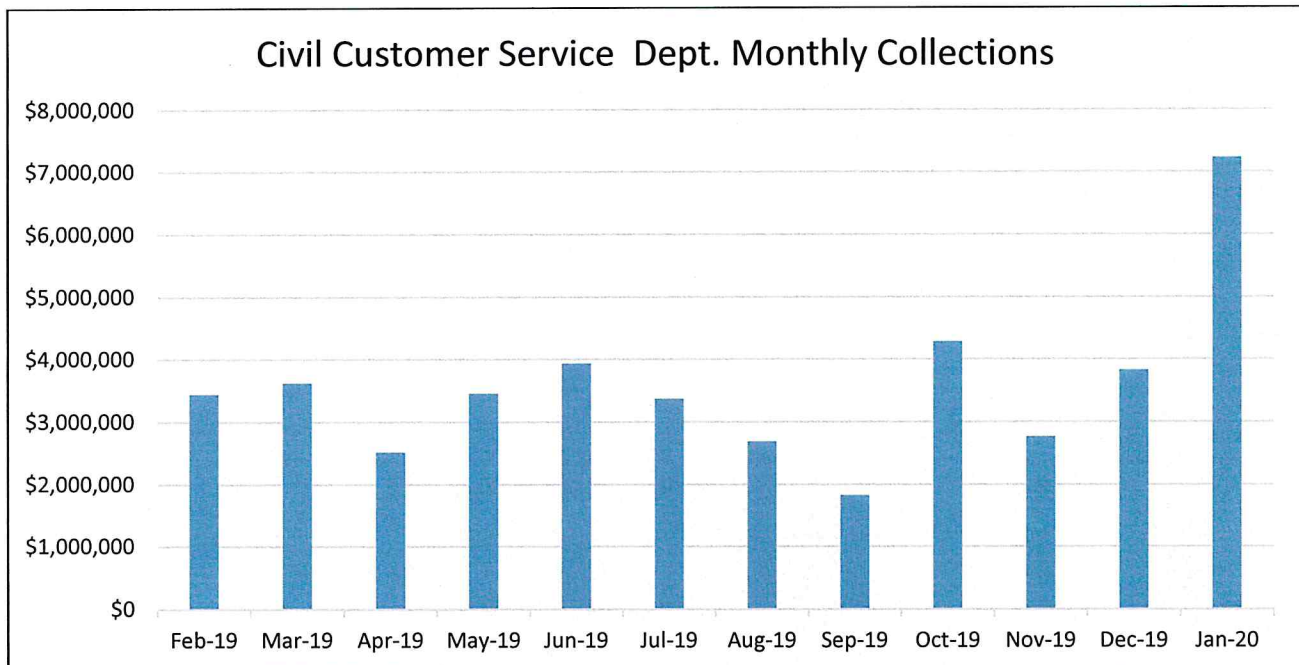
Background

The Civil Customer Service Department is located at the Civil Courthouse, at 301 N. Park Avenue, Sanford, Florida.

Except for marriage license application, civil injunctions and probate cases, all customers at the Civil Courthouse are directed to Civil Customer Service Department for assistance.

The division is responsible for processing payments for: Small Claims, County Civil, Circuit Civil, Domestic Relations, Traffic, and criminal cases. They evaluate the issues, review the court related documents, and, collect fees and fines.

On a daily basis, this department collects revenue roughly about \$175,000. This consists of \$1,700 to \$2,000 (1%) in credit and debit card payments, and between \$170,000 to \$180,000 (99%) in cash and checks. It includes the daily collection for Child Support of approximately \$30,000 to \$35,000 in cash except for commercial checks under an employee garnishment order. The department's average monthly collection is about \$3.6 million. The monthly collections are illustrated below.



Civil Customer Service Dept. Monthly Collections				
For a year beginning February 1, 2019¹ to January 31, 2020				
Month	Cash²	Cards³	Child Support⁴	Total Collections
Feb-19	\$2,594,256	\$35,816	\$816,983	\$3,447,055
Mar-19	\$2,688,123	\$39,410	\$898,606	\$3,626,139
Apr-19	\$1,595,483	\$34,059	\$887,300	\$2,516,842
May-19	\$2,600,225	\$33,559	\$823,892	\$3,457,676
Jun-19	\$3,199,676	\$30,243	\$705,488	\$3,935,407
Jul-19	\$2,994,859	\$36,355	\$339,730	\$3,370,944
Aug-19	\$2,359,298	\$39,924	\$286,384	\$2,685,606
Sep-19	\$1,549,468	\$31,662	\$242,429	\$1,823,559
Oct-19	\$4,004,456	\$31,850	\$249,532	\$4,285,838
Nov-19	\$2,504,795	\$34,680	\$221,297	\$2,760,772
Dec-19	\$1,311,915	\$38,185	\$2,474,221	\$3,824,321
Jan-20	\$6,944,202	\$31,059	\$254,207	\$7,229,468
	\$34,346,756	\$416,802	\$8,200,069	\$42,963,627

We observed how the cashiers collect money, post to the cashiering system, and, reconcile deposits.

We physically traced the cashiers' transactions from daily reconciliation, the bank, and, finally to Clerk's financial accounting records. Additionally, each clerk was asked to complete an internal control questionnaire. We also observed the process used to balance and reconcile the various accounts. The department has six deputy clerks and a dedicated supervisor. Each appear to be well trained and demonstrate a commitment to excellent customer service.

The results of this review are included in the report that follows.

¹Started the implementation of Athena Cashiering System.

² Included all types of checks.

³ Debit and credit cards.

⁴ Payments are only in cash except commercial checks with employee garnishment order.

Scope and Methodology

Our objective was to verify that the new cashiering system is designed with sufficient controls to ensure that revenue collected is being properly accounted for; and, there are internal administrative controls to ensure compliance with Clerk policies and procedures. Also, to ensure funds are properly safeguarded.

Our procedures included:

- Conducted an independent audit of each cash drawer;
- Interviewed cashiers on the business process being used;
- Reviewed the established controls to record, collect, and to reconcile the drawer;
- Reviewed the duties of the supervisor and process for preparing the deposit;
- Reconciled the daily collections to the Clerk's General Ledger and traced to the bank records; and,
- Examined revenue collections data from February 2019 to January 2020.

Overall Evaluation and Conclusion

It is our opinion that the new cashiering system (Athena) has sufficient controls to ensure that funds received are adequately being accounted for in Clerk's financial records. Also, all the deputy clerks appear to be competent and committed to exceptional service.

The followings are opportunities for improvement:

- Daily collections should be deposited in a timely manner; and,
- Policies and procedures should be published.

Opportunity for Improvement

1. Daily collections should be deposited timely.

Beginning in February 2019 to January 2020, about 70% of daily deposits were picked up by Brinks after two days from the point of sale. Delays were due to issues to be addressed before the deposits were released to Brinks.

The department collects daily 99% in cash and checks which is approximately \$170,000 to \$180,000. When the deposits are delayed, there ends up being a large amount of cash in the vault, and, the carrier can end up transmitting two full days of deposits, an approximately around \$340,000 to \$360,00 in transport. This increases the financial risk.

By depositing funds collected in a timely manner ensures that funds are safeguarded and reduces the exposure to financial risk.

Recommendations

1. Incorporate in the policies and procedures to have bank deposits completed and picked up by Brinks no later than the next business day.
2. The Clerk Finance or Brinks should put the time of pick-up on the deposits receipt book.

Management Response (Clerk Civil Division)

Concur.

We do not have detailed information relating to the reason for each of the untimely deposits, so we are unable to determine if the delays were due to human error or mechanical reasons. Having said that, it is very much agreed and expected that every reasonable effort should be made to ensure deposits are made timely. The normal scheduled time for Brinks pick-up is around 10:00am. Staff will be reminded to have deposit in Finance before this time. We will ask the Finance Department to have Brinks put the time of pick up on the deposit book. We will also include this requirement in our procedure manual being developed.

(Scheduled completion date no later than 06/30/2021)

2. Policies and procedures should be published.

Publishing formal policies and procedures ensure for strong internal controls over cash collections. This is necessary to prevent mishandling of funds and also to safeguard against loss.

Written departmental policies and procedures can serve as guide and provide reminders for what are the expectations. This will further promote operational efficiency, consistency and clarity.

The written procedures also protect employees by defining responsibilities. Some areas that should be addressed include:

- Cash Handling
- Accounting of cashier's beginning balance (bank)
- Cash shortages and overages
- Sufficient documentation, proper comment
- Segregation of duties
- Adequate safeguards
- Independent reconciliation
- Promptly depositing cash
- Payments from mail and drop box
- Protection of sensitive information
- Supervisor's override
- Management oversight and review
- Emergency situation

Recommendation

Publish written policies and procedures.

Management Responses

Concur.

We agree that formal policies and procedures are necessary to ensure strong internal cash controls and cashiering responsibilities to safeguard against loss. Although current documented procedures do not enumerate each detailed process, they are fundamentally sound enough to carry out the function being requested. Efforts are being made to provide a better training environment which would address the areas of concern listed. This training platform would be supported by a detailed manual which will provide understanding and support to ensure procedures and guidelines are adhered to. (Scheduled completion date no later than 06/30/2021)