



**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 audit of Revenue Controls over the East Branch Office.
We would like to acknowledge the assistance of the Civil Department with this review.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William 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. 121319
Unannounced Audit
Clerk's Casselberry Office

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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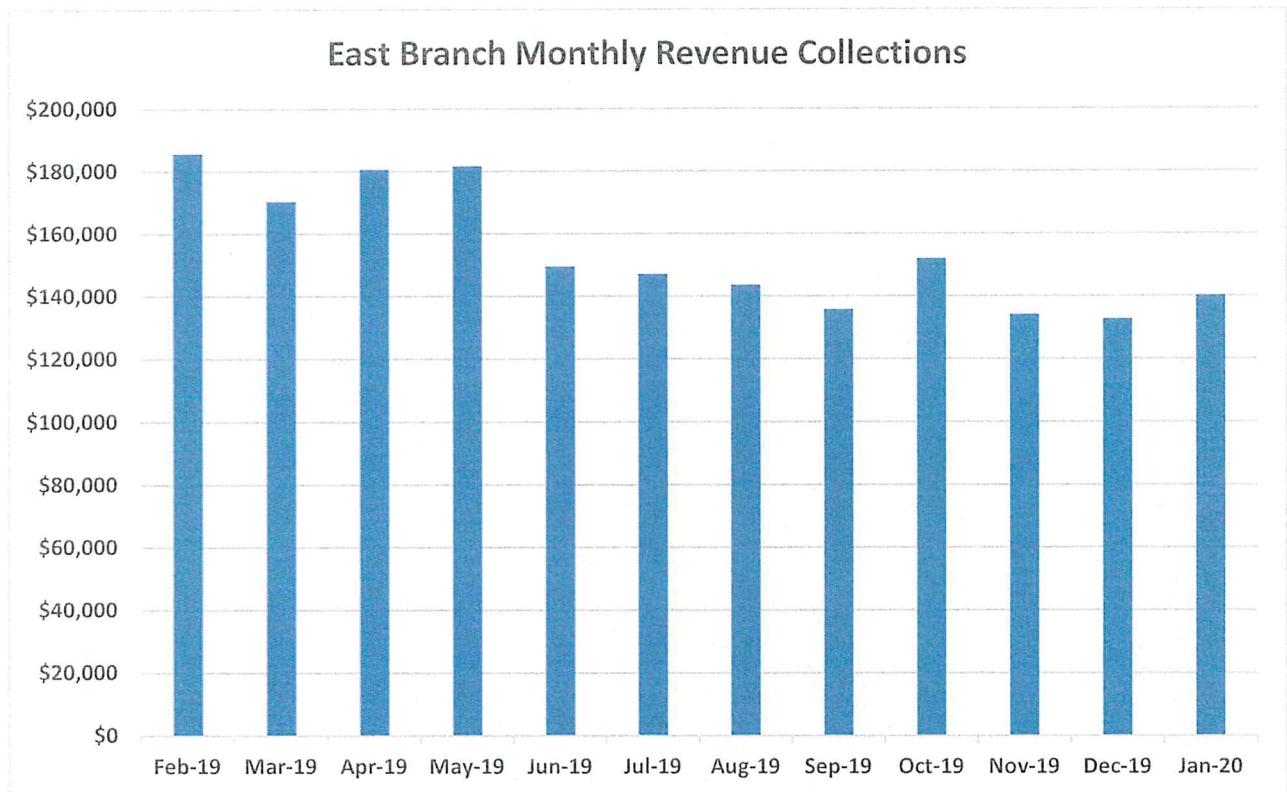
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Background

This Clerk's East Branch office is located at 376 Wilshire Boulevard, Casselberry, Florida and is open weekdays from 8:30 am to 5:00 pm. The Clerk's technology business plan for 2018/2019 included installing a new cashiering system (known as Athena) for all office locations that accept payments.

The branch revenue collection includes fees for traffic fines, marriage licenses, child support and other fees. On a daily basis, this office collects roughly \$7,400. This consists of about \$2,200 (30%) in credit and debit card payments and \$5,200 (70%) in cash and personal checks. It includes the daily collection for Child Support of approximately \$2,600 in cash. This location's average monthly collection is about \$154,000. The monthly revenue collections are illustrated below.



East Branch Monthly Revenue Collections				
For the year beginning February 1, 2019¹ to January 31, 2020				
Month	Cards²	Cash³	Child Support⁴	Total Collections
Feb-19	\$61,486	\$64,482	\$59,756	\$185,724
Mar-19	\$48,903	\$62,114	\$59,441	\$170,458
Apr-19	\$50,501	\$58,969	\$71,173	\$180,643
May-19	\$48,046	\$59,840	\$73,793	\$181,679
Jun-19	\$43,300	\$54,000	\$52,221	\$149,521
Jul-19	\$42,636	\$59,339	\$45,091	\$147,066
Aug-19	\$45,547	\$53,081	\$44,974	\$143,602
Sep-19	\$41,997	\$48,134	\$45,603	\$135,734
Oct-19	\$51,685	\$48,093	\$52,238	\$152,016
Nov-19	\$40,196	\$49,204	\$44,684	\$134,084
Dec-19	\$39,335	\$46,869	\$46,431	\$132,635
Jan-20	\$40,725	\$49,473	\$50,029	\$140,227
	<u>\$554,357</u>	<u>\$653,598</u>	<u>\$645,434</u>	<u>\$1,853,389</u>

We observed how each cashier collects money and posts to the cashiering system. We physically traced the transaction details from each cashier to 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.

We found that this office has three very professional and dedicated cashiers and a top-notch supervisor. Each appear to be well trained and demonstrate a commitment to customer service.

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

¹ Started the implementation of Athena Cashiering System.

² Debit and credit cards.

³ Included all types of checks.

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

Scope and Methodology

Our objective was to verify that this new 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 each cashier 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; and,
- Reconciled the daily collections to the Clerk's General Ledger and traced to the bank records; and,
- Examined the 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, cashiers appear to be competent and committed to exceptional service.

The following areas are opportunities for improvements:

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

Opportunities for Improvement

1. Daily collections should be deposited timely.

By depositing funds collected in a timely manner ensures that funds are safely and accurately recorded at the bank and Clerk's financial accounting records.

There are two bank deposits that are scheduled to be made daily at this office. The first is for collections through the Athena Cashiering System, and the second is through the child support collections remitted to the Department of Revenue for the State of Florida.

For the period August 1, 2019 to September 30, 2019, 14 of 40 (35%) Athena deposits were late and 3 of 40 (8%) child support deposits were delayed. These delays were due to issues to be addressed before the deposits were released to Brinks. Approximately \$31,530.49 in deposits were delayed.

Recommendations

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

Management Response

Concur. We agree that daily collections should be deposited timely. We do not have the detailed information relating to the reason for each of the untimely deposits. Because of this we are unable to determine the exact cause of the delays. It could be the result of human error or mechanical reasons. It is not uncommon that off-site offices experience equipment failures which cannot get resolved until the next morning due to IT technical support having different working hours. Having said that, it is very much agreed and expected that every reasonable effort should be made to ensure deposits are made timely. Staff will be reminded of the 10:00am Brinks pick up time and to take necessary measures to have deposit ready at that time. They will also be instructed to place the time of pick up on the deposit book.

2. Clerk's 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.

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

- Segregation of duties
- Adequate safeguards
- Independent reconciliation
- Promptly depositing cash
- Payments from mail and drop box

- Protection of sensitive information
- Management oversight and review

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.

Each office should maintain a log of all the correspondence they receive with date and action taken. This ensures complete accountability and transparency.

Recommendations

1. Establish written departmental policies and procedures for handling cash, incoming mail and for emergency situations.
2. Maintain a mail log of correspondence and include action taken.
3. Assign two employees to open and account for the mail.
4. If payments are received, an independent employee should verify the mail log and the account.

Management Responses

1. **Concur.** We agree that Clerk's policies and procedures should and will be published. 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 clarity, to ensure procedures and guidelines are adhered to. (Scheduled completion is June 30, 2021)
2. **Concur.** Maintain a mail log of correspondence and include action taken. Due to the nature of the work and sheer volume of documents received on a daily basis, this is impossible. The documentation of correspondence received is validated by the entry on the docket in the Case Management System (CMS) for the case file. However, as it relates to the "drop box" mail correspondence, these items are recorded on a log along with the purpose and the action taken. (Scheduled completion is June 30, 2021)
3. **Concur.** We agree that maintain a mail log of correspondence and action taken is desirable. However, unfortunately, due to the nature of the work and sheer volume of documents received on a daily basis, this is not completely feasible. We would like to note that the documentation of correspondence received is validated by the entry on the docket in the Case Management System (CMS) for the case file. However, as it relates to the "drop box" mail correspondence, these items are recorded on a log along with the purpose and the action taken. (Scheduled completion is June 30, 2021)
4. **Concur.** We agree that having two employees open and account for mail daily is control worth noting. However, due to the nature of the work and the sheer volume of documents received on a daily basis, this is not always practical. However, as it relates to the "drop box" mail correspondence, two employees are present to open the box and remain present as the mail is opened, content verified, documented on the log and each clerk initials. (Scheduled completion is June 30, 2021)

3. Some security enhancements should be considered.

Clerk's office is continuously upgrading business systems and adding security features to the office as needed. We noted during this review some security enhancements that should be considered. These enhancements will be discussed privately with management to protect the security of the office environment.

Having sound security ensures the business is protected from financial and operational losses.

Recommendation

Consider security enhancements to the office as part of continuously upgrading the office environment.

Management Responses

The enhancements recommended by the auditors were discussed privately to protect the security of the office environment.