



**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 West 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 "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. 123019
Unannounced Audit
Clerk's Altamonte Springs 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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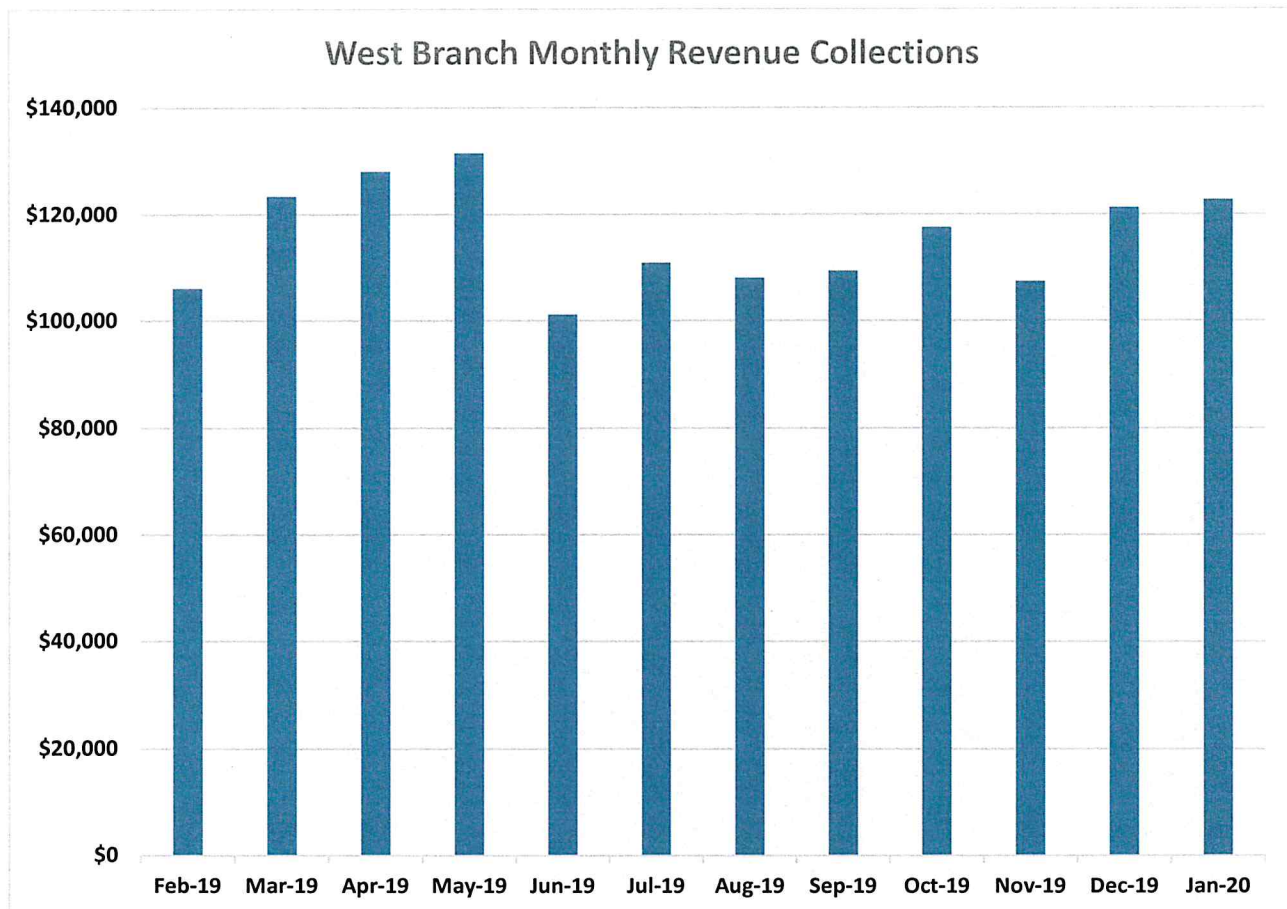
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Background

This Clerk's West Branch office is located at 990 North S. R. 434 (Outback Plaza), Altamonte Springs, 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.

On a daily basis, this office collects roughly \$5,500. This consists of about \$1,600 (29%) in credit and debit card payments and \$3,900 (71%) in cash and personal checks. It includes the daily collections for Child Support of approximately \$2,000 in cash. This includes fees for traffic fines, marriage licenses, child support and other fees. The branch's monthly average collection is about \$116,000 and the monthly revenues are illustrated below.



West Branch Monthly Revenue Collections				
For a year beginning February 1, 2019 ¹ to January 31, 2020				
Month	Cards ²	Cash ³	Child Support ⁴	Total Collections
Feb-19	\$32,641	\$37,205	\$36,250	\$106,096
Mar-19	\$31,528	\$36,754	\$55,061	\$123,343
Apr-19	\$38,810	\$44,067	\$45,148	\$128,025
May-19	\$35,448	\$38,433	\$57,559	\$131,440
Jun-19	\$28,340	\$35,320	\$37,491	\$101,151
Jul-19	\$34,271	\$45,563	\$31,017	\$110,851
Aug-19	\$31,168	\$43,439	\$33,476	\$108,083
Sep-19	\$34,521	\$38,783	\$36,086	\$109,390
Oct-19	\$38,730	\$44,418	\$34,391	\$117,539
Nov-19	\$36,524	\$45,465	\$25,418	\$107,407
Dec-19	\$31,625	\$36,637	\$52,991	\$121,253
Jan-20	\$30,692	\$36,782	\$55,215	\$122,689
	<u>\$404,298</u>	<u>\$482,866</u>	<u>\$500,103</u>	<u>\$1,387,267</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 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;
- 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. West Branch daily collections were deposited in a timely manner. Also, cashiers appear to be competent and committed to exceptional service.

However, there is an opportunity for improvements:

- Policies and procedures should be published.

Opportunity for Improvement

1. 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
- Supervisor's override for cash shortage or overage
- 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, in-coming mail and for emergency situations.
2. Maintain a mail log of ALL 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.

5. Establish criteria and written procedures for reporting and documentation of cash shortage or overage.
6. The Branch or Brinks should be required to put the time of pick-up on the deposits receipt book.

Management Responses

1. Concur. We agree that 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 create 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. Due to the nature of the work and sheer volume of documents received on a daily basis, this is a very time-consuming task. Although we agree with the intent of the finding, we do not believe this procedure would be cost effective for our operation. As a compensating control, we would like to submit 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)
3. Concur. Although we agree with the auditor that there would be some benefit to assigning two employees to open and account for mail, because of staffing this is not always feasible. Also, due to the nature of the work and the sheer volume of documents received on a daily basis, this is a very large task and not practical from a business sense. This is not needed, nor is there enough staff to perform this staff. 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)

4. Concur. As it relates to the "drop box" mail, we will certainly implement having an independent clerk verify and sign the log indicating the transaction completed. This will be included in the procedure manual. (Scheduled completion is June 30, 2021)
5. Concur. Any cash shortage or overage is documented on the daily reconciled report signed by the cashier and supervisor. This requirement will be included in the procedure manual. (Scheduled completion is June 30, 2021)
6. Concur. The Branch or Brinks will be required to put the time of pick-up on the deposits receipt book. We will certainly implement this change and include in the procedure manual. (Scheduled completion is June 30, 2021)