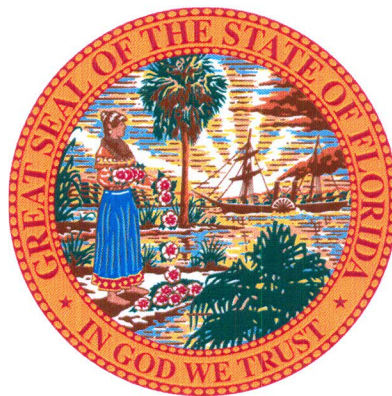


**MARYANNE MORSE
THE CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEMINOLE COUNTY FLORIDA**

**FOLLOW UP REVIEW
OF
RETIREE HEALTH INSURANCE PREMIUMS**

Report No. 061115



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TABLE OF CONTENTS

	Page
Background	1
Scope and Methodology	2
Overall Evaluation	2
Status of Corrective Actions	
1. Original Finding No. 1	3
Original Audit Recommendation	3
Original Management Response	3
Current Status	3
2. Original Finding No. 2	3
Original Audit Recommendation	3
Original Management Response	4
Current Status	4

Follow up Review Of Retiree Health Insurance Premiums

BACKGROUND

On June 20, 2013, the Office of the Clerk of the Circuit Court and Comptroller published Report No. 062013. The original review may be obtained at <http://www.seminoleclerk.org/BoardInfo/audits/default.shtm>. A copy of the report may also be obtained in BCC records.

The original review had three issues that required management's attention. The issues were:

- Premiums were not deposited in a timely manner;
- Some retirees were paying the wrong premiums; and,
- No comprehensive policy on accounting of retirees accounts.

At the conclusion of the review, Human Resources Division met with County Finance to develop a corrective action plan. Part of the plan was to establish written Standard Operating Procedures; and, to establish and monitor the procedure for administering the premiums.

We performed this review with the objective to find out the status of the corrective actions and establish a plan for completing any open items. Subsequent to the corrective action plan being submitted, there is a newly appointed Benefits Administrator and Human Resources Division Manager.

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In the report that follows we present the status of corrective action plans. The following format was used for reporting.

- The original findings;
- The management responses; and,
- Current Status

The status of corrective action plans are on page 3 of this report.

Scope and Methodology

The scope of this review included the policies and procedures and the premiums paid by retirees from January 1, 2014 to December 31, 2014. The areas subjected to this review include:

- Review of all issues and corrective action plans from the published review;
- Review of policies and procedures;
- Review of payments received for compliance with policy; and ,
- Other procedures as needed.

Overall Evaluation

In our opinion, the corrective actions plans agreed to by management have been substantially implemented.

On June 2nd, 2015, management submitted to Internal Audit a draft of their new Standard Operating Procedure (SOP) and a copy of the letter that they will be sending out to retirees to encourage them to enroll in automatic deductions. Internal Audit will follow up with Human Resources in September 2015 to verify that the letters are being mailed out as planned.

Included in the report that follows is the status of the corrective actions.

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Status of Corrective Action Plans

Original Finding No. 1

Some retirees are paying the wrong premiums.

Original Audit Recommendation

Publish a written policy and procedure that: (1) addresses the procedure for administering the premiums due to the county; and (2) establish criteria for sending reminder notices of incorrect payment or unpaid balances.

Original Management Comments (HR Division)

The Human Resources Division is currently working with the Finance Department to receive and maintain retiree premiums. A written Standard Operating Procedure will be created (with input from County Finance) to establish and monitor the procedure for administering the premiums, by August 31, 2013.

Current Status (Completed)

The written Standard Operating Procedure (SOP) was completed on June 2nd, 2015.

Original Finding No. 2

No comprehensive policy on accounting of retirees accounts.

Original Audit Recommendation

1. Retiree payments should be submitted directly to County Finance for timely deposit into the county bank account.
2. The HR Manager should develop written procedures for review and approval. Procedures should include a periodic reconciliation and review of payments to establish accuracy of receivables and data.

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3. Retirees should be strongly encouraged to enrolling automatic deduction form FRS payments to ensure a timely and accurate payment. A letter and automatic deduction form should be mailed out to those that not participating in the program.

Original Management Response (submitted by HR)

- The Human Resources Division is currently working with the Finance Department to transition the receipt and maintenance of retiree premiums to County Finance.
- A written Standard Operating Procedure will be created to address the procedure for administering the premiums (as noted above). Including a criteria and procedure for processing payment timely, accurately and properly safeguarded, including a written procedure for review and approval, by August 31, 2013.
- A letter to encourage eligible retirees to enroll in automatic deduction will be sent in the month of August, 2013.

Current Status (completed)

The Standard Operating Procedure (SOP) was completed on June 2nd, 2015. A draft letter to encourage eligible retirees to enroll in automatic deduction was completed on June 5th, 2015.

Internal Audit will follow up with Human Resources in September 2015 to verify that the letters are being mailed out as planned.