



Internal Audit Report

Audit Recommendations Status Report as of September 30, 2018



Date: November 16, 2018



**LCCC Audit Recommendations
Status Report
As of September 30, 2018**



To: The Honorable Linda Doggett, Lee County Clerk of the Circuit Court & Comptroller

From: Tim Parks, Chief Internal Audit Officer/Inspector General
Inspector General Department

Date: November 16, 2018

Re: Lee County Clerk of the Circuit Court & Comptroller (LCCC)
Audit Recommendations Status Report as of 9/30/18

The Inspector General Department has completed its *LCCC Audit Recommendations Status Report as of 9/30/18*, which reflects the implementation status of outstanding audit report recommendations for the Lee County Clerk of the Circuit Court & Comptroller as of September 30, 2018. The report fulfills the IG Department's accountability for reporting on issues through their resolution.

This audit activity conforms to the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing (Red Book)* and the Association of Inspectors General (AIG) *Principles and Standards for Offices of Inspector General*.

The follow-up covered the audit of the LCCC Court Fiscal Department for which a report was issued in March 2018; and for the audit of LCCC Human Resources issued August 2018. A summary of the recommendations status is presented in the heading of the attached report.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tim Parks".

Tim Parks, Chief Internal Audit Officer/Inspector General
Inspector General Department
TJP/GK



Lee County Clerk of Circuit Court & Comptroller

Audit Recommendation Status Report

As of September 30, 2018



LCCC Court Fiscal
(Project 2017.04, Issued March 2018)

Inconsistent Reduction of Fees, Payment Plans, and Release of D6

Observation	Recommendation	Original Management Response
<p>We randomly sampled 84 transactions that were processed at the clerks' windows, which included Adult Felony, County Ordinance, Criminal Traffic, Misdemeanor, and Traffic Infractions. The initial charges for the 84 sampled cases totaled \$20,366. Twenty-six of the sampled clients had a "Clerk approved write down" against their balance due, which amounted to \$3,383. The write downs are isolated to the Traffic Infractions, which resulted in a 30 percent reduction of the initial \$11,223 Traffic Infraction fines and fees charged. We noted that there is no documentation or approval process required for the writing down of fees and/or fines.</p> <p>There is a Judicial Directive filed on 2/14/2014, which is designed to assist individuals with multiple toll violations. However, the Directive is not incorporated into the Department's policies and procedures. The Directives states, "<i>a payment of one D6 fee for every three delinquent outstanding citations can be accepted and then all other toll violation cases are to be sent to a traffic hearing. Citations cannot be reduced to less than \$50 per citation. Individuals who have previously entered into payments plans shall be allowed to enter into a single payment plan which covers a total of (10) ten citations, being a minimum of \$500.00, plus all outstanding fees due and owing. The clerk shall</i></p>	<p>We recommend that the Department develop policy & procedures to address the "Clerk Approved Write Down" process, and incorporate the Judicial Directive (and other applicable authority) so that consistent approvals can be applied and documented.</p> <p>The procedure should include an approval process to insure the consistent application of the write down process and protect the clerks from potential allegations of indiscriminately applying write downs.</p>	<p>Through the Courts Department reorganization, roles and responsibilities were changed regarding the D6 process prompting inconsistent business practices. Going forward, the Customer Service Manager will develop a new policy, in accordance with the Judicial Directive, and an associated procedure. To include a specific Odyssey event code to support any Clerk approved write downs.</p> <p>The Customer Service leadership team will collaborate with the Court Operations team to implement an audit report. Although this solution is not an approval process, it will ensure the Clerk initiated reductions were applied in accordance with the policy and procedure notated above.</p>



Lee County Clerk of Circuit Court & Comptroller Audit Recommendation Status Report As of September 30, 2018



<p><i>schedule toll violations cases where the defendant has 25 or more to be addressed before the Administrative County Criminal Judge. For less than 25 cases, the hearing should be scheduled before a Traffic Hearing Officer.”</i></p> <p>It was not reasonably possible to ascertain if this Directive is being correctly applied. Odyssey has limited retention capabilities. The user can only see approximately 20 prior transactions. It does not appear that any of the sampled cases involving a write down were scheduled for any type of hearing. Although none of the cases that had a clerk approved write-downs were reduced to less than \$50.00; many of the cases had a D-6 cleared without any type of payment made on the account.</p> <p>Twenty-two of the 84 cases had payment plans set up. All twenty-two payment plans were set up with less \$500.00</p> <p>Without clearly documented policy and procedures and adherence to the Directive it might appear that the LCCC is inconsistently permitting the write down of case balances.</p>		
Estimated Implementation Date	Revised Implementation Date	Status
7/30/2018	1/31/2019	Pending
Last Status Update	Follow-up Management Response	IA Follow-up Notes
		<ul style="list-style-type: none"> Courts Department is currently working with new Policy Administrator position and judiciary to complete new policy; new expected date of completion will be mid –January



Lee County Clerk of Circuit Court & Comptroller Audit Recommendation Status Report As of September 30, 2018



Segregation of Duties		
Observation	Recommendation	Original Management Response
<p>All clerks can accept cash for payment of fees and fines, create payment plans, perform clerk approved write down on accounts, and clear D6's without management review or approval. There is no segregation of duties in the process. <i>"Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable."</i>¹</p> <p>There is opportunity for fraud with this set up. Given the opportunity, a clerk could accept a cash payment, write-down the account, and clear the D6 without depositing the cash into the system. As noted, of the 84 transactions that were tested, 23 had undocumented write-downs.</p>	<p>We recommend:</p> <ul style="list-style-type: none"> That a segregation of duties be implemented and included in policy & procedures 	<p>The Fiscal Clerks will begin handling cash deposits in the counting room with a secondary clerk at all times.</p>
Estimated Implementation Date	Revised Implementation Date	Status
7/30/2018		Completed
Last Status Update	Current Recommendation Action	IA Follow-up Notes
		<ul style="list-style-type: none"> Cash room updates are complete and money counting is completed by primary and secondary person present during verification process
LCCC Human Resources (Project 2018.11, Issued August 2018)		
Deputy Clerk Oath		
Observation	Recommendation	Original Management Response

¹ www.aicpa.org: Segregation of Duties (SOD). It is sometimes referred to as Separation of Duties.



Lee County Clerk of Circuit Court & Comptroller Audit Recommendation Status Report As of September 30, 2018



<p>A sample of 25 Clerk employees was selected for review. The personnel file for each employee was reviewed to determine if all documentation was in the files. The file documentation that was examined in the sample files included:</p> <ul style="list-style-type: none"> • Hiring packet • I9 form • Employee photo • Job description • Deputy Clerk Oath • Report of Personnel Action (RPA) • Policy acknowledgement form <p>Four of the files did not contain a Deputy Clerk Oath. The oath is not required of all employees, but there was no authoritative guidance to determine which employees are considered Deputy Clerks and must sign an oath.</p>	<p>It is recommended that guidelines be written to aid supervisors and the HR Department in determining which employees are considered Deputy Clerks and need to sign the Deputy Clerk Oath of Office form. Once implemented, make the form a required document within the applicable employee folders.</p>	<p>In response to the recommendation regarding written guidelines for the determination of Deputy Clerk Oath documentation, we will work with the LCCC Attorney to develop guidance for the LCCC Office and once implemented, obtain the required documentation from employees who are required to have a signed copy of the Deputy Clerk Oath form.</p>
Estimated Implementation Date	Revised Implementation Date	Status
9/30/2018		Completed
Last Status Update	Current Recommendation Action	IA Follow-up Notes
		Attorney opinion received as to the employees that need to sign Deputy Clerk Oath documents.