



THE HONORABLE  
**GWEN MARSHALL**

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

CLERK OF COURTS • COUNTY COMPTROLLER • AUDITOR • TREASURER • RECORDER

**DIVISION OF INTERNAL AUDITING**

**LEON COUNTY AUDIT COMMITTEE MEETING**

**January 20, 2022**

**2:00 P.M.**

**MINUTES**

**Committee Members Present:** Kim Mills, CPA, Chair  
John Keillor, CPA, CIA, Vice Chair  
Deidre Melton, CFE, CIA, CISA, CISM, CRISC  
Nancy Shepherd, CPA, CIA

**Committee Members Absent:** Cecil Bragg, CPA

**Clerk Staff Present:** Gwen Marshall, Clerk of Court and Comptroller  
Luis Camejo, CIA, Internal Audit Manager  
Natalie Hill, Internal Auditor

I. Meeting Called to Order ..... Kim Mills, CPA, Chair

Kim Mills, Chair, called the meeting to order at 2:01 p.m.

II. Approval of the October 18, 2021, Meeting Minutes..... Kim Mills

Deidre Melton moved to approve the minutes of the October 18, 2021 meeting. The motion was seconded by John Keillor, and the motion carried.

III. Comments from the Clerk.....Gwen Marshall, Clerk and Comptroller

Clerk Marshall provided an updated of the Fiscal Year 2020-2021 annual financial audit. Staff was informed that the Finance Director for the Sheriff’s office had recently left the organization. Therefore, the County’s consolidated financial statements will probably not meet the Government Finance Officers Associations’ (GFOA) March 31, 2022, filing deadline. The Clerk’s Office has offered to provide assistance with their financial statements.

Clerk Marshall recognized Finance staff for their efforts in reconciling the court registry’s fund to financial records. A carried forward balance of \$95 million was identified from a 2013 court case management system conversion. Staff was able to reconcile \$93 million to the bank statement to settle majority of the differences. Similar reconciliations will be performed during 2022 for other accounts, including the employee benefits account administered by the Clerk’s Office. As the Office prepares for the conversion to a new court case management system, CLERICUS, staff has prioritized their efforts to reconciling and cleaning of old accounts to ensure the transfer of good data. A project manager was hired to oversee the system’s conversion. A recommendation was made for Internal Audit participation during the transition.

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Clerk Marshall then provided an update on the CARES Act, Individual Assistance Program audit. The audit findings and recommendations were presented to the County Commissioners. Subsequently, the criteria for the Rental Emergency Assistance program will include most of the recommendations in the report and those concerns directly communicated by the Clerk.

IV. CY 2022 Election of Chair and Vice Chair ..... Kim Mills

The Advisory Audit Committee voted to re-elect Kim Mills to her last term as Chair of the Committee for Calendar Year 2022. Additionally, the Committee balloted to elect John Keillor to Vice Chair of the Committee. The results of the ballots were read, and all members agreed.

V. FY 2020-2021 Annual Financial Statement Audit Update..... Luis Camejo, CIA

Luis Camejo, Internal Audit Manager, provided an update on fiscal year 2020-2021 Annual Financial Statement Audit. The external auditors have been provided with the requested prepared by client audit checklist and they are working to substantiate the financial balances.

VI. FY 2020-2021 Annual Audit Plan ..... Luis Camejo

Mr. Camejo provided an update on the 2022 Audit Plan. During the first quarter of FY 2021-2022, the Division of Internal Audit (IA) issued three audit reports. Two engagements were carried forward from the previous fiscal year and the other was initiated during the current year. Mr. Camejo presented a summary of each audit.

**FY 2020-2021, CARES Act, Individual Assistance Program.** – Clerk Marshall met with the County Commissioners to discuss the audit findings. IA recommended requesting documentary evidence to substantiate the renters’ claims made on their original applications. Additionally, IA recommended extending the county’s data analytics program to include analysis of potential duplicities, related party transactions, and other useful trends to deter any potential abuse.

Management agreed with the recommendations and will use them in future program’s criteria. The final report will be issued in the coming days.

**FY 2020-2021, Solid Waste. – Collection Process.** – The objective of this review was to determine whether management has taken actions to remediate issues associated with the untimely collection and reporting of deposits received at the Waste Management Station as noted in previous external reviews. Audit procedures revealed that cash received from April through June 2021, were timely deposited, recorded, and reported. However, the reconciliation between the subsidiary system and the General Ledger included unexplained variances and unresolved reconciling items older than 90 days. Management took immediate action to resolve outstanding reconciling items. They also updated the formatting of the reconciliations to ensure readily identification of accounts used for tracking purposes only. Lastly, the County took immediate action to grant system access to the accountant responsible for performing the reconciliations to the subsidiary system. This will facilitate monitoring the transactions recorded on the subsidiary ledger easing the reconciliation process.

**Driver And Vehicle Information Database (DAVID) Access Control.** – The Leon County Clerk of the Circuit Court and Comptroller signed an interlocal agreement with the Department of Highway Safety and Motor Vehicles for access to its Driver and Vehicle Information Database (DAVID). Due to the confidential nature of the information contained in the database, the agreement requires several control measures by the Clerk’s Office. A requirement of the agreement is for IA to provide an attestation statement on the control environment of the office to protect confidential data from unauthorized access, distribution, use, modification, or disclosure. The objective of this engagement was to ensure the Clerk’s Office complies with the data access restrictions set forth in the Memorandum of Understanding (MOU). The following observations were noted for improvement:

- A terminated employee’s access was removed 36 days after employment termination.
- Untimely performance of the contractually required quality control reviews during all three quarters tested.

In response, Clerk Marshall implemented an Office-wide calendar which includes the organization’s compliance obligations to centralize monitoring and ensure compliance and timely submission.

VII. Budget to Actual Variance Report..... Luis Camejo, CIA

Mr. Camejo reported on the Q1-2022 Budget to Actual Variance Report and noted the following:

- The Solid Waste Collection engagement exceeded the original 265 hours budgeted by 28 hours.
- The DAVID Access Controls engagement required only 172 hours of the 400 hours originally budgeted. The underutilization of hours resulted from the specific testing steps described in the MOU as opposed to being developed by the auditor.
- Audit Recommendations and Corrective Action Plan. IA budgeted 25 hours quarterly to discuss with management outstanding audit recommendations and ensure identified risks are remediated. During Q1-2022, 22 hours were used to address open issues.

VIII. Audit Recommendations and Corrective Action Plan .....Natalie Hill

Ms. Hill reported on the two outstanding audit recommendations at the beginning of Q1-2022, associated with errors in the capitalization of fixed assets and balances of accounts payable and accounts receivable. Management has made efforts to perform monthly and quarterly reviews to identify misclassification of accounts, reverse accruals, and to correct end-of-year adjustments timely. These discrepancies are not expected to reappear in the current financial audit. However, fund 605 has been identified as an account of concern. Monies in this account primarily are deductions for employees’ fringe benefits. In addition, the external auditors are auditing the clerk’s procedures for disposal of inventory. Some items have been identified that were not reported to finance, and therefore, are still on the books.

Ms. Hill also reported that five audit recommendations were added to the issues log during the period. However, management’s immediate action resulted in the closing of two, which left only three still outstanding. Issues are as follows:

1. **The Vendor Set-up Process.** – It lacks a formal process to define authorized employees with access to add and remove vendors to and from the system. Access roles are not clearly defined for management to fully understand the access levels granted to employees. Management has not been able to obtain a comprehensive report detailing roles and descriptions for all positions. However, they are still in the process of developing a matrix to clearly identify the access granted to employees. Management has developed a vendor set up form for accounts payable and are working to develop a form for accounts receivable.
2. **Vendor Master File.** – IA identified duplicate vendors names and other fields during the review process. The vendors’ master file database is not maintained periodically. As corrective action, management has allocated additional staff to assist cleaning the master file. A plan has been developed, but the cleanup process is ongoing. A formal review process is included in the plan.
3. **IT Purchases and Inventory.** – IA identified inconsistent tracking of IT purchases and tagging. The process to recover IT equipment from terminated employees is not defined. To mitigate the risk associated with the current process, management purchased a new software, ManageEngine, to better track IT equipment. Management is also evaluating the current “Employment Termination” policy to ensure accountability is established over returned equipment from terminated employees. Management estimates completion of their action plans by June 30, 2022.

**CLOSED ITEMS**

1. **Purchase Order Closures.** – IA identified outstanding open Purchase Orders (PO) after corresponding invoices were paid. Management incorporated the review of a monthly PO report to ensure timely closure. Additionally, quarterly encumbrance reviews were also implemented to assist in this task. IA validated this process by reviewing a PO report from June 1 through December 21, 2021 and noted only valid purchase orders remained open.
2. **Subsidiary to General Ledger Reconciliation.** – IA reviewed the reconciliation of the subsidiary ledger used at the Solid Waste Management Facility to the financial records and noted reconciling items older than 90 days, in addition, to unidentified accounts used for tracking purposes only. Management took immediate action to clearly label accounts used for tracking purposes and worked collaboratively with staff at the Waste Management Facility to clear reconciling items. IA validated management action plans by requesting additional reconciliations to ensure recommendations were properly implemented.

IX. Other Business ..... Luis Camejo

Mr. Camejo informed that he is working with finance staff in identifying all cash collection points in the county to perform random cash counts. The criteria will be determined with Finance’s insight.

Mr. Camejo stated that he will notify the Clerk and Board of the two vacancies on the committee at the end of the calendar year.

Lastly, the audit committee recognized Tim Shopmyer, Process Improvement Manager, for the completion of the reconciliation of the Court Registry fund.

X. Adjournment ..... Kim Mills

There being no further business, the meeting was adjourned at 3:12 p.m.

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Kim Mills, Chair  
Audit Advisory Committee