



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

October 19, 2023

2:00 P.M.

MINUTES

Committee Members Present: Deidre Melton, CISA, CIA, CFE, CISM, CRISC, Chair
John Keillor, CPA, CIA, Vice Chair
Nancy Shepherd, CPA, CIA, CRMA
Ted Sauerbeck, CPA
Tom Duncan

Clerk Staff Present: Gwen Marshall, Clerk of Court
Kenneth Kent, COO and Chief Deputy Clerk
Natalie Hill, Internal Auditor

- I. Meeting Called to OrderDeidre Melton, CISA, CIA, CFE, CISM, CRISC, Chair
Deidre Melton called the meeting to order at 2:01 p.m.
- II. Approval of the July 20, 2023, meeting minutes.....Deidre Melton
Tom Duncan moved to approve the minutes of the July 20, 2023, meeting. The motion was seconded by John Keillor, and the motion carried.
- III. Clerk’s Comments.....Gwen Marshall, Clerk of Court
Clerk Marshall provided an update on the activities of the Clerk’s Office and previous outstanding issues.
 - The FY 2022-23 year-end audit has begun; there are no expected issues at this point to delay the audit.
 - At the last audit committee meeting, an overpayment the Clerk’s Office sent to the State of Florida for fee schedule changes related to traffic fees was discussed. The Office reached out to the State, and were advised money has been pulled aside for Leon County and is awaiting additional information from the Florida Clerks of Court Operations Corporation (CCOC). It appears the State has agreed to reimburse the Clerk’s Office for the \$1 million overpayment. Money is usually dispersed in February of each year, so we expect to hear back from the State then.
 - Regarding filling the Internal Audit Manager position, one applicant was interviewed. This position is 100% funded by the County. HR recommends the position be reclassified as a Senior Auditor. A committee member inquired if there is money in the Clerk’s budget to obtain outside services to assist the Internal Audit Division until the position can be filled. Clerk Marshall reported they have considered obtaining

assistance from a 3rd party, but with the current state of the Clerk's ERP and legacy systems, the learning curve is challenging.

- Kenneth Kent, Chief Deputy Clerk, discussed a few ways the Clerk's Office is working to improve operations by using technology to reduce some of the more routine work to make the experience better for employees and the public:
 - Instead of issuing checks to jurors, they receive a credit/debit card. This will help the Finance staff since they won't have to reconcile checks anymore.
 - The biggest increase in efficiency will come when the switch to Clericus is made.
 - Regarding Tax Deeds, there was a previously identified discrepancy in the software where some bidders withdrew overpayments (about \$500k in total) from their bidder account. The Office contacted those bidders and, as of last week, only one bidder still owes \$2,500. Some of the bidders are on payment plans and are unable to participate in tax deed auctions until they've fully repaid the money.

IV. Q4-2023 Budget to Actual Variance Report.....Natalie Hill, Auditor

Ms. Hill discussed the audits and outstanding issues follow-up conducted.

Audits:

- Tax Deeds Process – report has been drafted and reviewed by management and a member of the audit committee. The report contains four findings related to Policies/Procedures, List of Lands Available for Sale, Banned Bidders, and Statutory and Internal Compliance. Additional audit work was performed to further quantify exceptions and populations noted during reviews.
- Fee Disbursement Table – this audit has been postponed due to new legislation. So far, approximately 70 assessments have been audited to determine if the fee amounts and designations (mandatory/discretionary) are correct, per the Florida Court Clerks and Comptrollers' (FCCC) Distribution Schedule and Florida Statutes.
- P-Card – this audit has been postponed, allowing the Finance Department time to implement new procedures regarding the reconciliation process. There has been a new position acquired within the Finance Department to assist with reviewing p-card documentation.
- Fixed Assets – this audit has been postponed.
- Guardianship – this audit has been carried forward to the 2023-24 Audit Plan.
- Outstanding Issues Log – focus was on following up on cybersecurity and IT issues. Most of the outstanding issues will be tested by a 3rd party to ensure issues are resolved. It was suggested the CIO attend the next audit committee meeting, given the issues are confidential and technical in nature. The CIO would be better able to explain the issues, remedies, and answer any questions.
- Cash Counts – four cash counts were completed, and memos were issued.

Outstanding Audit Issues Follow Up:

Five open issues for the Board were discussed by Ms. Hill:

- MS Access Database Uploads – Mr. Kent mentioned the Finance Department and CIS have been completing a review of the Microsoft Access Databases to assess which

databases need to be retained and which need to be restricted for access only by certain individuals. They are down to about 10 databases.

- Florida Springs Grant Program – no follow up as of the meeting.
- Purchasing Process Review (2 related findings) – Revision of Purchasing Policy and revision of the P-Card Policy. Ms. Hill spoke with the Purchasing Director and was informed the Purchasing Policy will be presented for approval by the Board at the November 2023 meeting. Additionally, the P-Card Policy was revised and presented to the Board at the May 2023 meeting where it was approved. IA obtained a copy of this approved policy.
- Cybersecurity – MIS is working with a 3rd party vendor to address the issue; this is ongoing.
- There were 11 closed issues for the Board related to cybersecurity during 2023.
- There were 2 issues closed, during 2023, for the Board from the external audit (capital assets for other constitutional officers and construction in progress). Corrective action was taken for both, and the recommendations were considered resolved.

Five open issues for the Clerk’s Office were discussed by Ms. Hill:

- Each issue is related to cybersecurity. Ms. Hill spoke with the CIO and was informed the office is working with a 3rd party vendor to assist with testing and confirm the issues are resolved.
- There were 5 closed issues for the Clerk related to cybersecurity during 2023.

Regarding cybersecurity, Kenneth Kent stated the Clerk’s Office is requiring all staff to complete a 4-hour cybersecurity training course.

V. FY 2022-2023 Audit Report.....Natalie Hill

Ms. Hill presented the 2022-23 Internal Audit Report which includes the Division of Internal Auditing’s projects and accomplishments for the year. Committee members provided suggestions on how to improve the Report and information to add to it in the future:

- Were the goals achieved? Outcomes?
- Consider moving the Goals section to the front of the report.
- Include the Mission of the internal audit function and the standards upon which it operates.

Additionally, it was suggested that a Report Completion checklist be developed.

VI. FY 2023-2024 Annual Audit Plan.....Natalie Hill

Ms. Hill presented the 2023-2024 Annual Audit Plan which includes the following audits: Guardianship, P-Card Program (Board), and Fixed Assets. Six to seven cash counts should also be performed during the year. Only hours for the Auditor position were presented on the Plan. Upon filling of the Audit Manager position, the Fee Disbursement Table audit is expected to be added back to the Audit Plan. The Annual Audit Plan, as presented, was approved by the Audit Committee.

VII. Other Business.....Natalie Hill

Ms. Hill presented the Audit Committee Members’ Contact List and the FY 2023-2024 Proposed Meeting Schedule.

A discussion was held on fraud, waste, and abuse and the development of a comprehensive policy. Per Clerk Marshall, a triage approach for developing the policy will be taken, to include HR, Internal Audit, and Legal. It was suggested an update on the development of a fraud, waste and abuse policy be given at the next meeting.

VIII. Adjournment..... Deidre Melton

There being no further business, the meeting was adjourned at 3:58 p.m.