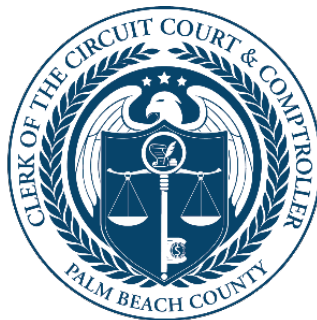


CLERK OF THE CIRCUIT COURT & COMPTROLLER

PALM BEACH COUNTY, FLORIDA

South County Branch Audit



JOSEPH ABRUZZO
CLERK OF THE CIRCUIT COURT & COMPTROLLER
PALM BEACH COUNTY

Division of Inspector General

Audit Services Unit

July 3, 2024



JOSEPH ABRUZZO
CLERK OF THE CIRCUIT COURT & COMPTROLLER
PALM BEACH COUNTY



An Accredited Office of
Inspectors General

**Division of
Inspector General
Audit Services Unit**
205 North Dixie Highway
West Palm Beach, FL 33401

Phone: 561-355-2722

**Guardianship Integrity
Assurance Hotline**
561-355-FRAUD
fraud@mypalmbeachclerk.com

Ethics Hotline
888-WARN-PBC

www.mypalmbeachclerk.com

July 3, 2024

The Honorable Joseph Abruzzo
Clerk of the Circuit Court & Comptroller – Palm Beach County, Florida

We performed an audit of the South County Branch, which was included in the annual plan.

The objectives of this audit were to: perform a risk assessment to identify risks and vulnerabilities; evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks; assess whether controls are in place to facilitate compliance with pertinent laws, regulations and policies; and, compare processes with accepted standards and best practices.

The audit scope included transactions from October 1, 2022 through September 30, 2023.

Our audit determined that the South County Branch was functioning in a generally satisfactory manner and mostly aligned with established policies and procedures though opportunities for improvement were noted.

We appreciated the cooperation of management and staff during the audit process.

Respectfully submitted,

Roger Trca, CIG, CPA, CIA
Inspector General
Clerk of the Circuit Court & Comptroller Office
Palm Beach County, Florida

cc: Shannon Chessman, Chief of Staff & Chief Deputy Clerk
Amy Borman, Chief Legal Officer & Chief Operating Officer of Courts
Louis Tomeo, Director – Branch Court Services
Ralph Foreman, Manager – West County Branch
Taneisha Edwards, Manager – South County Branch

Executive Summary

The Clerk of the Circuit Court & Comptroller (“Clerk’s office”) Division of Inspector General (“Clerk’s IG”) performed a planned audit of the South County Branch (“Branch”) that is located in Delray Beach, Florida.

The Branch provides a full range of Clerk functions and services. The workload encompasses criminal and civil case initiation and updates, payment processing, attendance at court hearings, providing assistance via the self-service center. The Branch also provides non-case related services such as recording documents, handling marriage license applications and ceremonies, accepting passport applications and Value Adjustment Board (“VAB”) petitions, and various other services.

The objectives of this audit included the following:

- Perform a risk assessment to identify risks and vulnerabilities impacting the South County Branch processes;
- Evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks;
- Assess whether controls are in place to facilitate compliance with pertinent laws and regulations as well as established Clerk policies; and
- Compare processes with accepted standards and best practices.

The audit scope included testing performed primarily for the period from October 1, 2022 through September 30, 2023.

Our audit determined that the South County Branch (“Branch”) was functioning in a generally satisfactory manner and mostly aligned with established policies and procedures though opportunities for improvement were noted. Specifically, the opportunity to enhance the review of the process to expunge and seal court records was noted. The audit identified one court case was expunged instead of sealed, and one docket within a case was improperly sealed. There were inconsistencies in the application of fee waivers and opportunities to enhance oversight of the Self-Service Center management of legal packet forms sold to customers. In addition, there are opportunities to improve the inventory management of Type II evidence (e.g., documents, exhibits). The Branch’s mail management processes, including the handling of returned payments, and tracking of non-traceable mail require strengthening. These observations suggest an enhancement of the existing policies and procedures to address operational effectiveness and efficiency.

The report contains six observations and 18 recommendations.

Table of Contents

Introduction..... 4

Overall Conclusion 4

Objectives, Scope and Methodology 4

Background..... 7

Observations & Recommendations 8

1. Sealing and expungement processes need improvement. 8

2. Fee waiver application did not comply with guidelines. 12

3. Self-Service Center controls lack oversight and sales monitoring.14

4. Evidence controls require improvement. 16

5. Tracking and documentation of payments received via mail need improvement..... 17

6. Opportunities exist to improve procedures. 20

Introduction

Overall Conclusion

The audit determined that the South County Branch (“Branch”) generally complied with established policies and procedures to support the Palm Beach County government agencies, customers, and the Clerk’s office. We noted strong financial control measures in place for cash transactions, efficient processing of injunction for protection petitions, comprehensive quality assurance reviews to identify inconsistencies, and proper recordation of customer’s documents into the public records.

Our audit also identified several opportunities to improve operations. One criminal court case was inadvertently expunged instead of sealed and one docket was improperly sealed. There was no secondary review of cases marked for expungement or dockets marked as sealed in the ShowCase system. There were discrepancies in the application of fee waivers, which did not consistently align with policy guidelines. Additionally, the Self-Service Center’s processes lacked proper oversight of sales and inventory of legal form packets. Opportunities exist to improve the inventory management of Type II evidence managed by the Branch. Control weaknesses were noted in the Branch’s mail management processes, including the handling of returned payments, the lack of dual controls when opening mail, and incomplete tracking of non-traceable mail with check payments.

Objectives, Scope and Methodology

The Clerk’s office Division of Inspector General (“Clerk’s IG”) performed a planned audit of the South County Branch (“Branch”).

The objectives of this audit included the following:

- Perform a risk assessment to identify risks and vulnerabilities impacting the Branch processes;
- Evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks;
- Assess whether controls are in place to facilitate compliance with pertinent laws and regulations as well as established Clerk policies; and,
- Compare processes with accepted standards and best practices.

The audit scope included testing performed for the period from October 1, 2022 through September 30, 2023. Testing and analytical reviews were performed outside of this range as deemed appropriate.

To meet the objectives, we conducted interviews, reviewed departmental policies and procedures, and identified the pertinent Florida Statutes and other laws and regulations.

We reviewed 11 Branch processes that were either rated by importance or management requested as follows:

- We developed a listing of the 23 different processes performed within the Branch and assigned an importance rating in numerical order from highest (1) to lowest (23), with management input obtained in the identification and ratings of the processes. We selected the ten top rated processes for further review.
 - These ten processes included: Case Management / Maintenance (civil, criminal, family court, foreclosure, guardianship), Cash Handling / Mail Processing (child support payments), Violations Bureau (parking, witness fund), Misdemeanor & Traffic Violations, Recording of Documents, Petitions for Injunction for Protection, Seal & Expunge, Eviction Cases (landlord / tenant), Court Support and Evidence.
 - Within these ten processes, further review was conducted by documenting workflows and preparing a Risk & Control Matrix that summarized the relevant inherent risks, existing controls to mitigate the inherent risks, and vulnerabilities of any residual risk not addressed by the existing controls. Testing of controls and/or transactions was designed for those areas identified with the highest residual risk and vulnerabilities.
- At management's request, we reviewed the process for handling cash sales of information packets to walk-in customers within the Self-Service Center.

We prepared a comprehensive Internal Control Statement Checklist ("ICS Checklist") to obtain confirmation from management whether best practices and Clerk's office policy requirements had been integrated into the Branch's internal controls systems. The ICS Checklist contained 82 statements related to payment handling and processing in the following areas:

- Human Resources & Hiring
- Supervision
- Cashiers' Operations
- Reconciliation Operation
- Deposit Preparation
- Physical Security
- Mailroom Procedures
- System Access Rights

We issued the ICS Checklist to the Branch Manager and obtained management's assertions. One example of an internal control statement was: "*deposit bag is sealed and stored in safe for later collection by armored car service*". We performed further review of areas where best practices had not been included in the Branch's internal controls.

We used ACL/Diligent software tools to conduct tests against the data populations. Professional standards require audits to consider risks due to potential fraud.

We conducted the following additional testing of controls and transactions.

- Accuracy and Timeliness of Docketing: We performed various tests to determine whether case documents were accurately and timely docketed into the ShowCase system. This included reviewing Quality Assurance reports to determine if errors were identified.

- Financial Controls and Processes: Our audit included testing to assess the efficiency, accuracy, and compliance of the processes and controls related to the collection of funds to determine if:
 - Surprise cash counts were in compliance with related procedures.
 - Fee waivers were processed and approved properly.
 - Mail processing controls were adequate.
 - Mail handling and logging of cash and checks were adequately controlled.
 - Cash payments for customer packets sold in Self Service Center were handled properly.

- Compliance with Fine Payments: We assessed the Violations Bureau’s handling of fine payments to determine compliance with regulations and procedures.

- Recording of Documents: Tests were performed within the Recording function to determine if documents were accurately recorded, fees were accurately collected, and the documents were timely and accurately recorded in compliance with Florida Statutes.

- Petitions for Injunction for Protection: Various tests were performed of petitions for injunction for protection to determine if:
 - Processing of petitions and docketing of related orders were timely and accurate and promptly communicated to the judiciary.
 - Case initiation and related documents were handled accurately.
 - Petitions filed later in the day were communicated timely (e.g., same day) to the judiciary to expedite processes when needed and to ensure petitioner safety.

- Sealing and Expungement of Court Records: We confirmed the security of court records by assessing the following:
 - Processing of court-ordered sealing and expungement of cases aligned with Florida statutes and Clerk’s office procedures.
 - Case records were sealed or expunged as required.
 - Case tracking tools were accurate and complete.

- Evidence Management Review: Tests were performed of evidence handling to determine if:
 - Evidence custody procedures and related custody logs were properly documented.
 - Audit sampling of evidence items conducted during the audit were accurately performed and traced to supporting documents.
 - Evidence storage and security measures and controls were adequately in place.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Background

The South County Branch (“Branch”) provides a full range of Clerk functions and services. The workload encompasses criminal and civil case initiation and updates, payment processing, attendance at court hearings, providing assistance via the self-service center including free Navigator assistance with form preparation. The Branch also provides non-case related services such as recording documents (certain types are processed at Main Courthouse), handling marriage license applications and ceremonies, accepting passport applications and Value Adjustment Board (“VAB”) petitions, addressing telephone inquiries, and various other services.

The Branch utilizes various automated applications in combination with the Microsoft Office software to enhance operational efficiency. ShowCase is the Clerk’s office case management system, which facilitates case handling and oversight. The Branch generates reports from ShowCase and other supporting systems to monitor pending work, assess timeliness of customer service and work processing, and document work volumes.

The Branch is supported by 48 positions under the direction of Taneisha Edwards (Manager). During the audit, Ralph Foreman (Manager) managed the operations. Both Edwards and Foreman report to Louis Tomeo (Director). Mr. Tomeo reports to Amy Borman, Esq. (Chief Legal Officer & Chief Operating Officer of Courts), who reports to Shannon Chessman (Chief of Staff & Chief Deputy Clerk).

Audit performed by: Monica Alvarenga, Assistant Inspector General

Observations & Recommendations

The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the observations and recommendations presented in this report may not be all-inclusive of areas where improvements may be needed.

1. Sealing and expungement processes need improvement.

The review identified that one case was inadvertently expunged instead of sealed and one docket was improperly sealed. There was no secondary review of cases marked for expungement or dockets marked as sealed in the ShowCase system.

In Florida, the process to seal or expunge cases involves several key steps and eligibility criteria, governed by statutes and administrative codes. For a case to be eligible for sealing or expungement, the individual must not have been adjudicated guilty of a crime, among other criteria. Florida law permits only one court ordered sealing or expunging in a lifetime, except under certain conditions such as lawful self-defense. The process requires obtaining a Certificate of Eligibility from the Florida Department of Law Enforcement (“FDLE”) as a first step. The decision to seal a record or part of a record (e.g., dockets) is at the discretion of the court. The Clerk’s office staff is instructed to only seal part or an entire case with a court order.

1.1. Review of Expunged Cases.

Section 943.0585, Fla. Stat., Expunction of Criminal Records:

“(4) COURT AUTHORITY.—

*(a) The courts of this state have jurisdiction over their own procedures, including the maintenance, **expunction**, and correction of judicial records containing criminal history information to the extent that such procedures are not inconsistent with the conditions, responsibilities, and duties established by this section.*

(b) A court of competent jurisdiction may order a criminal justice agency to expunge the criminal history record of a minor or an adult who complies with the requirements of this section. The court may not order a criminal justice agency to expunge a criminal history record until the person seeking to expunge a criminal history record has applied for and received a certificate of eligibility under subsection (2)...”

Section 943.059, Fla. Stat., Sealing Criminal Records:

“(4) COURT AUTHORITY.—

*(a) The courts of this state have jurisdiction over their own procedures, including the maintenance, **sealing**, and correction of judicial records containing criminal*

history information to the extent that such procedures are not inconsistent with the conditions, responsibilities, and duties established by this section.

(b) Any court of competent jurisdiction may order a criminal justice agency to seal the criminal history record of a minor or an adult who complies with the requirements of this section...

The Clerk's office duties include:

- Serving copies of the sealing petition to the state attorney and arresting agency.
- Certifying and distributing the court's sealing / expunging orders to the entities.
- Ensuring other agencies that received the criminal history information are notified.
- Certify a copy of the order to any other agency that received the criminal history record from the court.

Results of Testing:

We performed testing by examining instances where cases were expunged incorrectly from October 1, 2022 to September 30, 2023 for all South County Branch ("Branch") users. The report showed two cases that were expunged without the proper expunged ("EXPUN") docket code. We noted the following:

- One case was expunged without an expunged court order. The court order was to seal the entire case. Management stated the case was corrected upon audit discovery.
- Management confirmed the possibility of oversight, and that staff may have inadvertently selected the expungement option in ShowCase due to its proximity to the seal option in the drop-down menu. Management stated there are no manual controls requiring a secondary review by another individual to confirm the case selection marked for expungement in ShowCase. The current quality reviews conducted at the Branch do not include a requirement to review whether the correct option was selected in ShowCase. In addition, ShowCase lacks automated controls requiring a secondary review by a different individual to confirm the expunged selection. While ShowCase incorporates a systemic verification to confirm the correct selection, this functionality only prompts the confirmation from the user, not an independent review by another individual.
- One case was properly expunged but it included an alternative docket code (e.g., ORD instead of EXPUN). Management clarified that the EXPUN docket code should have been applied in this case.

1.2 Review of Sealed Dockets.

Civil ShowCase Docketing User Guide, Clerk's office, (February 26, 2016) (page 44):

"Seal a Case Situations may arise where the Court orders a case to be sealed, prohibiting access and viewing of the court case. Management must be notified prior to sealing a case.

- A. Open the case using the or feature.*
- B. Verify the order was signed.*
- C. Navigate to the Dockets tab.*
- D. Refer to the Scan to Case section for guidelines to scan the order to the case.*

- E. Assess the \$42 fee and cashier payment.
- F. Click the button in the top toolbar.
- G. Select the option from the dropdown menu.
- H. Select the Sealed checkbox. The date auto populates, adjust the date if needed.
- I. Click to the Confirm Change prompt if necessary.
- J. Verify the Case Title Bar indicates the [Sealed] status.
- K. Update Notes tab to reflect reasoning for case to be sealed.”

We obtained a list of sealed or confidential dockets from October 2, 2022 to September 30, 2023 for all South County Branch (“Branch”) users. There were 1,147 dockets marked as sealed or confidential. We judgmentally selected ten dockets to examine the appropriateness of their sealed or confidential status. The following observations were noted:

- One docket was sealed without a corresponding court order. Upon audit discovery, management confirmed the error and removed the sealed status. Management stated the error was due to a possible oversight by staff. Management stated that staff use a drop-down menu located on the document to mark it sealed or confidential. This selection is next to other options, such as options for printing and email. This might have led to the incorrect selection.
- We noted there is no systemic requirement in ShowCase for a secondary review and there is no manual process (e.g., quality reviews) to further review the appropriateness of sealed dockets.

The observations noted above were primarily caused by the incorrect selection of the options to expunge a case, or to designate the docket as sealed within ShowCase. The lack of manual or automated controls to perform a secondary review of cases marked for expungement or sealed dockets increases the likelihood that the error will not be detected. Mismanagement of court records may lead to non-compliance with statutory requirements and related legal and reputational risks to the Clerk’s office.

Recommendations:

- A. Establish a secondary review process for all expunged cases and sealing of dockets to ensure accuracy and compliance with court orders.
- B. Consider implementing a systemic review in ShowCase to clearly distinguish between the options for sealing and expunging to reduce the likelihood of incorrect selection.
- C. Implement periodic audits of expunged cases and sealed dockets to identify any discrepancies.
- D. Consider implementing an automated control in ShowCase to flag cases or documents that lack the necessary court order for sealing or expungement.

Management Responses:

- A. A secondary review process was created on March 22, 2024. The process involves the QA Team reviewing a report that identifies the following:

- The report identifies cases that include a docket code of EXPUNG (case expunged by court) but was not expunged in Showcase.
- The report identifies cases that include a docket code of ORSL (Order sealing) but was not sealed in Showcase.
- The report identifies cases that include a docket code of SEAL (Seal). This docket code is used when a document has been sealed but not the entire case.

In addition, we requested a report that identifies cases that are flagged as Sealed or Expunged in the case security, but there is not an EXPUNG or ORSL on the docket. This helps us identify cases that were inadvertently sealed or expunged when no court order was entered.

These reports are reviewed by the QA Team to ensure proper processing. Errors are tracked by the QA Team and shared with the appropriate department manager.
Target Completion Date: Completed

- B. ShowCase provides users the ability to clearly distinguish between the options of sealing and expunging. Rather than seeking a systemic review in ShowCase, which will require a “change control” and is likely to take years to implement, a more prudent solution would be to enhance training for clerks that handle seal/expunge documents. Accordingly, the Operations Training Team will incorporate seal/expunge training within existing docketing training for new and current employees. Additionally, the Operations Training Team will review and update the seal and expunge procedures to ensure accuracy and compliance with the new training. The procedures will be provided during training and will also be available on One Stop Ops.

Target Completion Date: September 30, 2024

- C. Refer to Management Response A. above for details.

Target Completion Date: Completed

- D. Further analysis indicated that this suggestion would require significant programming modifications to the ShowCase system. Change control development and implementation is a costly multi-year venture. We believe that the report and review created pursuant to Management Response A above will more than suffice to ensure that documents lacking the necessary court order for sealing or expungement will be captured and forwarded to the appropriate manager for tracking and correction purposes.

Target Completion Date: Completed

2. Fee waiver application did not comply with guidelines.

The review disclosed opportunities to improve the fee waiver process as well as instances where fee waivers were not applied according to policy.

The Cash Handling Policy, Clerk's office, ("Policy"), (June 13, 2022):

- *"...the fees and fines collected by the Clerk of the Circuit Court & Comptroller's office are established by law. The office depends on this revenue (in varying portions) to fund its budgets. Therefore, it is imperative that all fees and fines are properly assessed and collected in accordance with the law. Regardless of the amount, no fee or fine shall be waived except as authorized by law (Example: Fees may be waived for Florida state agencies that are exempt from payment under the law). When faced with a perceived error which may warrant the waiver of fees, the matter must be addressed with a management team member for determination and direction..."*

South County ("Branch") management authorizes select cashiers to perform fee waivers in ShowCase under certain conditions as authorized by regulations and policy (e.g., statutory exemptions or indigency determinations).

Our review of the process disclosed the following:

- The policy does not clearly define the levels of staff (e.g., lead and above) authorized to perform fee waivers. Management stated that a supervisor or manager submits a request for approval to the Service Desk to grant specific individuals the access to waive fees in ShowCase. However, requirements for access are not clearly established or documented. This raises concerns about the appropriateness of access levels granted to various staff members.
- There is no secondary review of civil case fee waivers to ensure accuracy and compliance. Management stated that certain criminal case fee waivers are reviewed by the Quality Assurance (Q/A) team in the Main Branch. However, neither the Q/A team nor Branch management performs a secondary approval of civil fee waivers. The lack of a secondary review could lead to inconsistencies in how fee waivers are applied and monitored.

We selected five of the 1,282 fees waived by the Branch from October 1, 2022 to September 30, 2023. Two of five samples were incorrectly waived, as detailed below.

- In a probate case, fees totaling \$627 were erroneously waived due to a misclassification and calculation error. The fees waived were incorrectly categorized as 'Waived - Other'. Management stated that the original \$577 converted fees on the probate case were never paid. Management stated that when a probate case is reopened and upgraded to a formal administration, the initial filing fee of \$346 and the \$50 reopen fees should have been marked as a "civil case upgrade" instead of "waived". The conversion amount of \$577 is incorrect, as it should have been \$346.

- In a traffic case, one \$60 reinstatement fee was improperly waived. According to management, a dismissal order form in the traffic case directed the Clerk's office to waive any associated fees. However, this fee was identified as a Florida Department of Motor Vehicle charge, not the Clerk's office, and the issue of license reinstatement was not covered in the order.

Both instances reflect issues with policy interpretation, procedural compliance, and accuracy, leading to improper fee waivers and lost revenues.

Recommendations:

- A. Update policies and procedures by clearly specifying which staff levels are authorized to perform fee waivers.
- B. Establish and document the criteria for granting fee waivers access in Showcase, including the process for supervisor or managers to request such access for their team members.
- C. Implement a secondary review process for civil case fee waivers to ensure accuracy and compliance with policy. This review could be conducted by a designated team member or management level. The review could involve a periodic audit of waived fees or for certain types or amounts of waivers.
- D. Enhance staff training on the proper application of waiver policies, ensuring understanding of the criteria and procedures for waiving fees. This includes clear guidelines on interpreting court orders and distinguishing between different types of fees.

Management Responses:

- A. Operations will conduct a review of existing policies and procedures and make revisions as appropriate. The Cash Handling Policy has been revised to include acceptable waiver code reasons. The Position of CRS 3 and above are authorized to perform fee waivers based on his/her job responsibilities. Limiting the ability of certain staff to perform fee waivers would severely hinder customer service and court operations. For example, Courtroom Administrators are required to waive fees in the courtroom based on order of the court or statutory requirement.

The Cash Handling Policy draft was completed. The title of the document has also been revised to Accountability of Funds.

Operations will, from time to time, review existing policies and procedures focusing on minimizing risk.

Target Completion Date: September 1, 2024

- B. The criteria for documenting fee waivers in Showcase have been established for many years. Upon hiring of a new, transferred or promoted employee, the supervisor/manager determines access needed in ShowCase. A Help Desk Ticket is

submitted to IT. IT then provides the requested access to the employee. IT maintains documentation of access provided to each employee by security group. The access request from management typically is for case initiation, docketing, etc. Along with certain system access comes the access to waive or delete fees. Waiver or deletion of fees is not a stand-alone access point. It is included in various other security groups.
Target Completion Date: Completed

C. The QA Team reviews waived fees on a weekly basis. Any anomalies are reported to the Department Manager for review and correction. QA is conducting a review of 100% of cases on a monthly basis.

Target Completion Date: Completed

D. The operational departments will enhance staff training on the proper application of waiver policies with each staff member that has access to waive or delete fees.

Target Completion Date: July 31, 2024

3. Self-Service Center controls lack oversight and sales monitoring.

The review identified opportunities to improve controls over the sales and inventory management of legal form packets in the Self-Service Center. Packets are not individually identified and limited oversight exists. Best practices over product sales suggest each unit should be uniquely identifiable and controllable through inventory and sales procedures.

The Self-Service Center provides legal form packets for self-representing individuals, offering around 75 types of packets for purchase. Packet lengths vary from a few to over 150 pages, with prices between \$4 to \$20. Staff maintain an inventory of packets in a designated shelf, reprinting packets as needed. Customers may purchase the packets with cash, check or credit card. The transactions are recorded in miscellaneous cases within the Showcase system and receipts are issued to customers.

The following control observations were noted during the review:

- The packets lacked barcodes or unique identifiers, making it difficult to track each packet's sale.
- There were no controls in place to verify the packets retrieved from shelves were recorded in sales transactions.
- There was no surveillance camera behind the clerks to monitor customer transactions, which could help detect possible unrecorded cash sales of packets.
- There were minimal preventive controls against potential theft of cash from packet sales. Controls were limited to signage reminding customers of their receipt options and to ask for a supervisor if a receipt is not provided.
- The same clerks were responsible for both the sale and the management of packet inventory, including printing and replenishing the inventory.

These observations result in an increased risk of unrecorded transactions, potential theft, and inaccuracies in financial records. Clerks could conceal cash sales of packets by not recording the transactions as miscellaneous receipts in Showcase.

Recommendations:

- A. Consider enhancing controls by coordinating with County Electronic Services and Security (“ESS”) to implement a camera to monitor and record transactions by the Self-Service Center clerks.
- B. Consider additional manual controls such as the following:
 - 1) Monitor inventory of packets: This could involve the physical count of packets to ensure all items taken from the shelves are accounted for in the sales transaction report.
 - 2) Segregation of Duties: Different individuals should handle the packet sales, inventory printing and replenishment to prevent conflict of interest and reduce the opportunity for fraudulent activities. This could involve non-Self-Service clerks to print and replenish packet inventories.
 - 3) Automated controls such as usage of barcodes on customer packets could also be considered though cost-benefit implications would need to be assessed.

Management Responses:

- A. We are currently working with Clerk facilities to purchase and implement security cameras in the Self-Service Center. We do not yet have a timeframe when the cameras will be installed.
Target Completion Date: December 31, 2024
- B. 1) Based on our further analysis, this recommendation is not feasible. Packets are often printed on demand and the count on the shelves is not always an accurate representation of the number of packets sold each day. Clerks could print out a packet and sell it to a customer without it being accounted for in the inventory count. Operations will continue to review methods to better control/monitor inventory of packets.
Target Completion Date: Completed
- 2) Based on our further analysis, due to current staffing shortages, segregation of duties is not feasible at this time. Forms are revised often by the Supreme Court. Printing a high volume of forms that may be revised within a short period of time is not a good use of resources. Further, we will seek to utilize the services of the Copy Center to make copies of packets as much as is feasible.
Target Completion Date: Completed
- 3) Based on our further analysis, this recommendation is not feasible. The technology to assign the packets individualized barcodes, when they are printed from Adobe PDF or Word documents, and to scan those packets in conjunction with Showcase for receipting purposes does not exist at this time. Implementing such technology would take significant time and financial investment as they would require numerous change requests with our vendors. Additionally, we considered automating all packets and

eliminating in person sale of forms. Comparative data indicates online sales to in person sales show that the majority of our customers still purchase packets in person. If packets were only available online, it would affect customers with no access to the internet, elderly customers, and customers that are sent directly to our self-service centers by the court. In addition, online sales charge an additional convenience fee not included in the cost of in person packets.

Target Completion Date: Completed

4. Evidence controls require improvement.

Various improvement opportunities were noted involving evidence processing, reporting and inventory control within the South County Branch (“Branch”).

The Evidence Room at the Branch is designated for storing less sensitive Type II evidence (e.g., documents, exhibits) primarily in envelopes and occasionally in boxes. More sensitive Type I evidence items (e.g., drugs, narcotics, firearms, weapons, biohazards and valuables) are transferred to the Main Courthouse Evidence Department for secure vault storage. The Branch is nearing completion of renovation on another room to expand storage capacity. An exhibit list is maintained for each case to document the evidence and a copy of the list is filed with the physical evidence itself.

Clerk's office procedures and best practices by the Florida Court Clerks and Comptrollers (“FCCC”) govern this process. Per the FCCC Evidence Storage and Destruction Checklist (Optional Elements):

- *“Evidence in storage should be inventoried and/or audited based on the county’s inventory/audit schedule.”*
- *Conduct periodic reviews/inventories, such as spot audits.”*

The following control observations were noted during the audit:

- There was no comprehensive inventory count of all evidence, including periodic spot or partial inventories performed and a schedule to conduct inventory counts.
- An inventory report detailing all evidence was not maintained. Evidence is documented only on exhibit lists for each case.
- Evidence packaging, including envelopes and boxes, lacked barcodes and were not sealed. The lack of barcode tracking results in inefficiencies in evidence management, reporting and inventories.
- The Evidence Room appeared to exceed its intended capacity. During the audit, we noted the current Evidence Room was being migrated to a larger room to accommodate the evidence.

Staffing constraints, inadequate inventory processes, insufficient recordkeeping, lack of systemic inventory schedule, ineffective evidence labeling and tracking, and overcrowding of the Evidence Room contributed to the control observations noted above. The results of these issues may include: increased risk of evidence mismanagement; lost, misplaced or stolen items; inefficiencies in retrieval and auditing; and compromised integrity of the legal

process. Best practices indicate that agencies that conduct regular inventories have decreased internal loss of evidence.

Recommendation:

- A. Re-evaluate the current evidence recordkeeping, reporting and inventory processes and coordinate with the Main Courthouse Evidence Department to determine the appropriate improvements to consider and implement, recognizing that the evidence stored is primarily Type II evidence, the evidence inventory is being moved to another room, and discussions are in progress to scan and digitize the paper document evidence.

Management Response:

- A. The current evidence recordkeeping, reporting and inventory processes is currently under review. We are in the process of transitioning the Branch evidence repository from the aggregate spreadsheets currently utilized to the Trakman evidence system.

To move forward with this project, a new evidence position may need to be created specifically to assist the Branch Courts with the storage, maintenance and destruction of evidence. Depending on the organization’s budget, an existing position may be used to perform the tasks.

A comprehensive plan to implement this project is currently underway and is expected to be completed by December 31, 2024. The project is dependent on Clerk’s IT support.

In the interim, a complete evidence inventory is in the process of being finalized at all Branch locations. All Branch evidence that meets destruction criteria is currently being processed for destruction. Periodic evidence inventories will be established and maintained on a regular basis moving forward. Evidence in open cases will be maintained in the aggregate evidence spreadsheet located on the G drive. All South Branch evidence has been relocated to a larger evidence room within the South County office.

South Branch management is working with Main Branch evidence to ensure consistency of processes including utilization of evidence labels, tape and appropriate envelopes.
Target Completion Date: December 31, 2024

5. Tracking and documentation of payments received via mail need improvement.

The review identified instances of inadequate documentation, particularly regarding the handling of returned payments. The review also identified risks in the current mail handling processes, particularly in the lack of dual controls and incomplete logging of non-traceable mail containing payments (e.g., checks).

The Cash Handling Policy, Clerk's office, (June 13, 2022):

- *"When feasible, two (2) individuals should be present when mail is opened."*
- *"Cash received in the mail and opened in the department, should be counted in the presence of two (2) individuals; one management team member and the clerk that received the cash."*

Opening and Distributing Mail Procedure, Clerk's office, South County Branch, (undated):

- *"Cash Received, Express mail, certified mail, returned mail, payments, and all other mail. Deliver to supervisor or lead for documenting on Traceable Mail Log..."*
- *"Make sure that any cash received in the mail goes directly to a supervisor to be receipted."*

5.1. Duplicate Check in the Traceable Mail Log.

Best practices indicate all checks and cash received via mail should be documented, including the return of payments to sender and resubmissions. This is to ensure transparency, accountability and traceability of customer payments.

South County Branch ("Branch") staff documents all checks and cash received via traceable mail (e.g., certified mail) in the Traceable Mail Log. We selected five samples from October 1, 2022 to September 30, 2023, and noted the following:

- Two samples had the same check number and amount (\$4,236), but with different mail received dates and tracking numbers. This indicated the check was received, apparently returned, and then received again. However, there was no documentation available to confirm that the first check was returned to the sender before being resent and processed.
- Management clarified that staff, upon detecting discrepancies in checks or documents, suspend the transaction and return the items with a rejection letter. This action is recorded in the Reject Report within the Landmark system, accessible for 30 days. When the documents and payments are resubmitted, staff resume and finalize the original transaction. Management stated this is likely what occurred in this situation.
- We noted the current practice did not include the retention of physical or electronic copies of rejection letters sent to customers whose checks or documents had discrepancies. The Traceable Mail Log did not include documentation of the final disposition of checks received (e.g., check was posted to Landmark, or check is returned to sender).

The absence of a formalized process for documenting the return of payments to senders creates challenges in tracing the complete transaction, potentially leading to disputes with customers regarding payment handling. In addition, the lack of detailed documentation and retention of relevant correspondence (e.g., rejection letters) increases the risk of errors and fraudulent activities.

5.2. Verification and Logging of Checks.

Best practices indicate all incoming mail, especially those that contain payments, should be logged to establish a clear record of the received date. This is important for both traceable and non-traceable mail.

Various control observations were noted during the review.

- The current process involved a single individual opening all incoming mail.
- Check payments received via non-traceable mail were not logged. Cash and traceable mail (e.g., certified mail) were recorded in the Traceable Mail Log.
- Cameras were installed in the mailroom, providing a level of oversight. However, the effectiveness of cameras depends on active monitoring and regular reviews of recordings.

The primary cause of the identified issues is the absence of a dual control verification when opening the mail and lack of documentation of checks received via non-traceable mail. The failure to log non-traceable mail and documents received increases the risk of financial loss and makes it difficult to trace to the source and resolve differences.

Recommendations:

- A. Establish clear guidelines for documenting all instances where payments, specifically checks, are returned to senders. This should include the reason for the return, the date, and any correspondence or acknowledgement from the sender.
- B. Maintain supporting documentation of the return, such as rejection letters, Landmark logs, correspondence with the sender.
- C. Conduct regular audits of the payment documentation to ensure adherence to established procedures. This review could be conducted by a designated team member or management level and could be conducted for certain types or payment amounts.
- D. Consider implementing dual control for opening the mail in the Branch, if feasible. This approach provides oversight resulting in decreased opportunities for misappropriation, as it would require collusion between two individuals. Although cash is less frequently received, the branch receives check payments via non-traceable mail daily.
- E. Expand the documentation of all mail that contains checks (traceable and non-traceable). The log should be regularly reviewed and audited.
- F. Consider implementing regular audits and spot checks of mail that contains cash and checks. These should be unannounced or random to ensure ongoing compliance. This review could be conducted by a designated team member or management level.

Management Responses:

- A. The process has been revised by adding the recommended guidelines to the Daily Mail Log. In addition, we have created a returned check log to track the return reason and date.
Target Completion Date: Completed
- B. A designated folder has been created on the S drive where staff will save correspondence or rejection letters for returned checks to store rejection letters and

correspondence with the sender. The same log created will be used to track returned items for Landmark transactions as well.

Target Completion Date: Completed

- C. A member of management or a lead conducts monthly audits.

Target Completion Date: Completed

- D. Based upon current staffing, it is not feasible for two people to open mail.

Target Completion Date: Completed

- E. As previously noted in C above, management or a lead conducts monthly audits.

Target Completion Date: Completed

- F. A management team member will conduct spot audits on a random basis but no less than once per month effective July 1, 2024.

Target Completion Date: July 31, 2024

6. Opportunities exist to improve procedures.

Our review identified opportunities to improve the South County Branch (“Branch”) procedures.

Best practices indicate written procedures provide guidance to employees, help ensure processes are performed accurately and consistently in accordance with management’s directives and help achieve departmental goals.

The review of the Branch’s documented procedures for various processes disclosed several areas of improvement. Some procedures lacked references to supporting regulations, laws, ordinances, County Policies and Procedures Manual (“PPM”) or contracts. Certain procedures did not include the name of the approver or did not adhere to the current format. For example, the Opening and Distributing Mail procedure did not include the effective/revised dates and the name or title of the responsible person.

We noted this observation may be due to the lack of awareness or training on the required procedure formats, or oversight in the review process. The lack of key information in the procedures, such as supporting regulations, approver names, and effective dates, could lead to non-compliance with regulations and procedures as well as inefficiencies in performing processes.

Recommendation:

- A. Perform a comprehensive review of documented procedures to ensure they include all necessary information, such as the ones noted. The review should ensure that all procedures adhere to the current format and includes effective/revised dates as well as the names or titles of responsible individuals.

Management Response:

- A. Management has initiated a comprehensive review of all South County and Branch Court procedures listed on the One Stop Ops application. The review encompasses all necessary information such as updating outdated procedures, removing duplicates, ensuring procedures are maintained in the appropriate format, effective/revised dates as well as titles of responsible individuals.
Target Completion Date: March 31, 2025