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Clerk of Circuit Court & Comptroller
Internal Audit Division
2000 16th Avenue
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Telephone: (772) 226-3280



TO: Board of County Commissioners

FROM: Edward Halsey, Internal Auditor

THRU: Jeffrey R. Smith, Clerk of the Circuit Court and Comptroller

DATE: November 15, 2018

SUBJECT: Internal Audit Division of the Clerk's Office

BACKGROUND

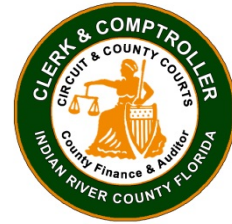
Attached to this memorandum is the fiscal year 2018 annual report recapping the highlights of the Clerk's Internal Audit Division.

RECOMMENDATION

Staff recommends that the Board of County Commissioners accept the attached fiscal year 2018 annual report of the Internal Audit Division.

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DATE: November 15, 2018

**TO: Jeffrey R. Smith, CPA, CGFO, CGMA
Clerk of the Circuit Court and Comptroller**

**FROM: Edward Halsey, CPA, CGFO, CIA
Internal Audit Director**

SUBJECT: Internal Audit Division of the Clerk's Office

I respectfully present the fiscal year 2018 annual report of the Internal Audit Division which was created in the Clerk's Office to carry out internal audit activities for the Clerk's Office and the Board of County Commissioners. The following are highlights of internal audit work completed through September 30, 2018:

- Audits of guardianship files at the Courthouse done on a continuous on-going basis.
- Conducted an audit of the Emergency Services Department.
- Conducted a follow up forensic audit of the Emergency Services Department.
- Sent tourist development tax letters of inquiry to owners resulting in thirty of the owners registering to pay the tax.
- Conducted two tourist tax audits of hotels which resulted in collections of \$33,917 in tourist tax, penalties and interest. Conducted four tourist tax audits of short term or residential/condo rentals which resulted in collections of \$28,610 in tourist tax, penalties and interest.
- Conducted audits of the health insurance fund claims to ensure that the payments were on behalf of eligible participants.
- Conducted surprise change fund and petty cash counts at all Board and Clerk locations.
- Conducted an audit of a county funded charity.
- Conducted audits of two construction contractors.
- Conducted a review of FPL's franchise fee.
- Conducted risk assessments of grant subrecipients.
- Conducted a search for fictitious vendors by matching vendor and employee addresses. None found.
- Conducted a review of the City of Vero Beach's franchise fee.
- Documented the Board's receipting procedures across several departments.
- Sent letters of inquiry to local banks to determine if any unauthorized accounts were established in the name of the Clerk or the Board. None found.
- Reviewed the Clerk of Court CCOC and Title IVD reports.

As part of the routine Comptroller responsibilities, the internal audit activities performed include:

- Monitored leases for compliance and to make sure payments are made (lessee) and payments are received (lessor).
- Monitored grants for compliance and to make sure reimbursements are received.
- Reviewed invoices to make sure discounts are taken.

In addition, the Clerk annual audits include:

- Each Board department; Clerk's Office; Property Appraiser; Tax Collector; Supervisor of Elections; SRA; and Health Department capital assets.

Training/Certification:

- Internal Audit Director attended tourist development tax audit training offered by the Florida Tourist Development Tax Association.
- Joined the Association of Certified Fraud Examiners (ACFE) to gain access to ACFE educational materials.
- Became active in the Space Coast Chapter of the Institute of Internal Auditors by attending their seminars and also conducting the annual audit of the Chapter's financial statements.