

JEFFREY R. SMITH, CPA, CGFO, CGMA

Clerk of Circuit Court & Comptroller
Finance Department
1801 27th Street
Vero Beach, FL 32960
Telephone: (772) 226-1945



TO: Board of County Commissioners
FROM: Edward Halsey, Internal Auditor
THRU: Jeffrey R. Smith, Clerk of the Circuit Court and Comptroller
DATE: November 7, 2017

SUBJECT: Internal Audit Division of the Clerk's Office

BACKGROUND

Attached to this memorandum is the fiscal year 2017 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 2017 annual report of the Internal Audit Division.

JEFFREY R. SMITH

Clerk of Circuit Court and Comptroller
1801 27th Street, Bldg. A
Vero Beach, FL 32960



DATE: **November 7, 2017**

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

FROM: **Edward Halsey, CPA, CGFO, CIA**
 Internal Auditor

SUBJECT: Internal Audit Division of the Clerk's Office

I respectfully present the fiscal year 2017 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, 2017:

- Audits of guardianship files at the Courthouse done on a continuous on-going basis.
- Sent tourist development tax letters of inquiry to owners resulting in thirteen of the owners registering to pay the tax.
- Conducted five tourist development tax audits of hotels which resulted in collections of \$240,961 in tourist tax and penalties.
- Clerk's Office contracted with iCompass to better monitor short-term rental activity on Internet.
- Contracted with Florida Department of Revenue for the Registration Information Sharing and Exchange (RISE) program to improve tourist development tax audit and collection.
- Conducted audits of the health insurance fund claims to ensure that the payments were on behalf of eligible participants.
- Expanded sub-recipient monitoring activities pursuant to federal grant requirements.
- Surprise change fund (including the Clerk's cashiering) and petty cash counts.
- Conducted two audits of county funded charities.
- Conducted a review of over and short accounts.
- Conducted a review of FPL's franchise fee.

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

- 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.
- 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 Auditor attended tourist development tax audit training offered by the Florida Tourist Development Tax Association.
- Internal Auditor passed parts two and three of Certified Internal Auditor (CIA) exam to complete the certification process.