

Audit Report #2019-09

Board of County Commissioners
Follow-Up Audit of Special Assessments



Clerk of the Circuit Court & Comptroller

April 8, 2019

Internal Audit Department



ANGELA VICK

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
CITRUS COUNTY, FLORIDA

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April 8, 2019

The Honorable Angela Vick
Clerk of the Circuit Court and Comptroller

Dear Ms. Vick:

The Internal Audit Department (IAD) has completed the Follow-Up Audit of Special Assessments for the Citrus County Board of County Commissioners. This audit was originally performed by Moore Stephens and Lovelace. There were two County and one Clerk's Office audit recommendations contained in the original report, dated June 26, 2018.

All recommendations were addressed and corrective action was implemented. The report on this follow-up audit is attached. Based on our observations, limited testing, and discussions with the County and Clerk's Office Management, IAD considers all items closed.

We appreciate the cooperation and professional courtesies extended by the County and Clerk's Office and commend management for implementing the recommended improvements.

Sincerely,

Robin Barclay
Chief Audit Officer

OBJECTIVE

The objective of this follow-up audit was to evaluate whether corrective actions were taken to address audit observations and recommendations included in the original Citrus County Board of County Commissioners Special Assessments Report, dated June 26, 2018.

BACKGROUND

At the conclusion of each audit assignment, a final report is issued by the IAD that includes identified control weaknesses, non-compliance with policies and procedures, and any non-compliance of laws and regulations. We work with management throughout the audit process to develop recommendations and action plans to address these matters.

METHODOLOGY

To assess the status of management's corrective actions, IAD made observations, conducted limited testing, and held discussions with management.

When issues are deemed satisfactorily implemented or management has accepted the risk of not taking action, IAD considers the issue closed.

Our follow-up audit was conducted in accordance with the International Professional Practices Framework, which requires internal auditors to establish a follow-up process to determine if issues were adequately addressed and recommended corrective actions were effectively implemented.

SUMMARY RESULTS

The audit recommendations and management responses below were described in the original report, dated June 26, 2018. This report lists each original recommendation, management's response, and current implementation status below.

County Recommendation 1 – Staff Training

During our review of the County Land Section's files pertaining to the adoption of each special assessment, we noted that only one employee was currently familiar with the record keeping for each assessment, and a second review by another County employee familiar with the special assessment process does not appear to have been performed. We recommend that the County ensure that at least two Land Section staff are trained and familiar with special assessments to allow for less disruption if there is employee turnover in the department. In addition, having two employees who can review each other's work provides better checks and balances and can reduce the risk of errors in the assessment process.

Management's Response – Staff Training

Management concurs. Dual control has always been a high priority for the Land Section when processing assessment districts as well as requesting the Department of Management and Budget (DMB) to review all costs prior to notifying benefitting property owners of the final costs, hearing date and time. Over the past five (5) years, the majority of the Land Section Team retired or changed careers, leaving one County employee familiar with the special assessment process.

During this time, requests for assessment districts dwindled, with 2014 being the last year new districts were established. In 2017, two (2) small districts were established which allowed the training process to begin. Currently, the Land Section Team consists of four (4) staff members. One member manages the Fire Protection MSBU and Limerock Road Paving MSBU, another manages the Solid Waste MSBU and our newest member will begin training on the Citrus Springs Waterline Assessment Areas later this year. It is our intention that all team members be cross-trained on the various districts.

Status – Implemented

IAD met with Land Section management and staff to discuss cross-training efforts, which include weekly staff meetings and one-on-one training prior to milestone due dates. IAD reviewed current files, which included the project timeline with training outline and cross-training instructions for tracking and monitoring special assessment tasks. The work in the file is verified by a second assessment agent.

County Recommendation 2 – Review of Cost Summaries

We recommend that supporting documentation for final project costs for special assessments be maintained in the Land Section files for each special assessment. We also recommend that the County consider establishing a formal procedure in which all costs, including detailed support in the form of vendor payments details and general ledger reports for special assessments, are reviewed and cost summaries are certified by the County’s Department of Management and Budget and/or Clerk’s Finance Office prior to finalizing the original assessment.

Management’s Response – County Recommendation 2 – Review of Cost Summaries

Management concurs and has established a procedure to ensure all costs including detailed support is provided to the Land Section prior to finalizing the assessment. The department providing the improvements will provide a cost breakdown and copies of all work orders and associated invoices to Land Section. DMB will compare the invoices to the general ledger report ensuring the improvement expenses coincide with the final assessment. DMB will provide the general ledger report to Land Section for inclusion in their files.

Status – Implemented

IAD reviewed documentation in current files and observed that cost summary information was included in the files.

Clerk’s Office Recommendation 1 – Updated Procedures

We recommend that the Clerk’s Office update its written procedures regarding the annual updating and reconciliation of outstanding special assessment fees. These procedures should address internal controls, including a second review by a knowledgeable individual in the Clerk’s Finance Office.

Management’s Response

Management concurs. The Clerk’s Office Finance Staff is updating written procedures to ensure effective internal controls, clarity and completeness.

Status - Implemented

IAD observed the monthly reconciliation process, noting that written procedures updated during the original audit did not adequately address retention of the reconciliation worksheet.

The Clerk's Finance Office provided the follow-up response below:

The written procedures regarding the annual updating and reconciliation of outstanding special assessment fees have been updated to address internal controls and second reviews.

Auditor's Note: Procedures were revised after IAD discussed the procedural omission with Finance Staff. IAD reviewed the revisions, which now incorporate the retention of the reconciliation worksheet.