

**OFFICE OF INSPECTOR GENERAL
2019 COMPREHENSIVE AUDIT PLAN**

**St . Johns County Clerk of
Court and Comptroller**



HUNTER S. CONRAD, ESQ.

Curtis Evans Jr.
Inspector General



Hunter S. Conrad, ESQ

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SAINT JOHNS COUNTY, FLORIDA

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

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October 30, 2018

The Honorable Hunter S. Conrad, ESQ
Clerk of the Circuit Court and Comptroller

The Honorable Chairman and Members
of the Board of County Commissioners

I am pleased to submit the Office of Inspector General 2019 Comprehensive Audit Plan to you, which has been prepared to identify planned audits and projects for 2019. Our audit plan is the result of a risk model that was developed to assess risks of various County operations, which included input solicited from the Board of County Commissioners, County Administrator, and Management of the Clerk's Office, for the purpose of indicating the need for an audit. The use of a risk-based approach allows us to prioritize risks and determine the scope of work we are able to accomplish with the staff resources available.

It is important that the Office of Inspector General has a sound methodology for the selection of its audit and projects. This will ensure an independent, objective analysis and evaluation of County programs and operations. Our audits and projects result in the issuance of public reports containing recommendations to strengthen and improve the delivery of public services to the citizens of Saint Johns County. The audit engagements selected address major functional areas under the Board of County Commissioners as well as the additional areas of audit responsibility of the Saint Johns Clerk of Court and Comptroller's Office.

This audit plan is prepared to provide a core guide for audits that are anticipated to be initiated during the year. It also provides for investigations of fraud, waste and abuse. Depending on workload and other factors, such as critical audits requests by senior management, special projects, unforeseen circumstances in scheduled audits, etc., some projects may not be initiated during the year, and other projects not on this audit plan may be conducted. Our audit plan is a flexible planning document and a tool for use of Inspector General resources that is intended to be responsive to changing conditions. As such, it is subject to change throughout the year as the need arises, in accordance with an on-going assessment of circumstances and events impacting County's operations.

We are continually working to improve our planning process and welcome any suggestions that we should consider in the future. Please direct any questions or suggestions to me. I can be reached at (904) 819-3607.

Respectfully Submitted,

Curtis Evans Jr.
Inspector General
Office of Inspector General

cc: The Honorable Michael D. Wanchick
County Administrator



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AUTHORITY, DUTIES, AND SCOPE

By authority of the Constitution of the State of Florida, Article VIII, Section 1, (d), "...the Clerk of the Circuit Court (Clerk) shall be the ex-officio clerk of the Board of County Commissioners (BCC), auditor, recorder, and custodian of all county funds." The Constitution of the State of Florida, Article V, Section 16 also specifies that the Clerk of the Circuit Court shall have the duties quoted above.

Pursuant to the legal authority and responsibility cited above, the Clerk has established the Office of Inspector General to fulfill the responsibilities of the office as they relate to investigations and audit activities. The scope of the Office of Inspector General's authority includes any operation under the direction of the BCC or of the Clerk of Court. It also includes other functions for which the BCC provides financial support, such as contracted agencies, in its budget or of which the Board is the ex-officio governing body.

The scope of the Office of Inspector General's work includes the following four general areas:

A. Internal Audit Services:

1. Review the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information.
2. Review the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports.
3. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
4. Appraise the economy, efficiency, and effectiveness with which resources are employed and management's internal controls over operations.
5. Review operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

B. Tourist Development Tax (TDT):

Responsibilities include the audit of TDT records and enforcement of levied TDT, as prescribed by Saint Johns County Ordinance 88-27, dated June 14, 1988, as amended, and in accordance with Chapters 212 and 125.0104, Florida Statutes.

C. Public Integrity Unit (PIU):

1. The primary responsibility as PIU includes the review and investigation of suspected, inappropriate activity.
2. If the investigation substantiates that a fraudulent act may have occurred, the Inspector General will notify the Clerk & Comptroller. After consultation with the Clerk, other County officials may be notified.
3. If the substantiated act may have criminal implications, the Inspector General will consult law enforcement agencies and assist in the preparation and presentation of findings, as requested and/or otherwise applicable.

D. Guardianship Accountings:

In accordance with Chapter 744, Florida Statutes, the Office of Inspector General, audits the inventories and accountings of court-appointed guardianships and investigates allegations of fraudulent misuse of guardianship estate assets.

SOURCES OF AREAS SELECTED FOR AUDIT

To ensure the most efficient and effective use of Inspector General staff resources, it is essential that areas selected for audit be carefully considered. Just as with other governmental functions, the audit function should be conducted in a manner that provides the greatest amount of value to Saint Johns County citizens. Since there are a large number of possible areas to audit throughout the County and limited staff resources to audit them, a careful audit selection process should be in place. Such a strategic planning process has been conducted in determining this audit plan. The methodology of selecting audits and those areas selected for audit are presented below.

Areas selected for audit can come from a variety of sources. These primarily include risk assessments, management requests, unannounced audits, and allegations of fraud, waste, and abuse.

Risk is one of the primary factors in selecting areas for audit. Risk for some aspects of County operations is higher than others for many reasons, including the complexity of operations, financial and operational impact to the County should something go wrong, and the length of time since the areas have been audited. Areas of the County that are high risk should receive more audit attention than those of lower risk. However, areas of lower risk should not be ignored but rather, they should be done with less frequency than the higher risk areas.

In addition to risk, management may have concerns about particular areas or for some other reason believe an audit is necessary. Because one of the goals of the Inspector General function is to be of assistance to management, management requests are seriously considered in the selection of audits to be performed. As a part of the audit selection process, we solicited input from the Board of County Commissioners, County Administrator, and Clerk's Office Management.

There is also a need to conduct some audits on an unannounced basis whenever prior knowledge could compromise the integrity of the audit. These types of audits include cash counts and some suspected instances of fraud, waste, or abuse.

Furthermore, complaints and tips received via the fraud, waste, and abuse hotline can also generate areas that result in audits and investigations.

RISK ASSESSMENT METHODOLOGY

The initial step in developing a risk assessment methodology was to prepare a list of auditable entities. These are possible areas that could be audited in the County. We used the County's budget primarily to compile a comprehensive list. Using the budget ensures we include all operations involving County funding to provide reasonable assurance that all significant County operations are included in our audit universe.

Once the auditable entities were identified, we assessed the risk associated with each entity based on seven risk factors below:

1. Dollar Impact
2. Number of Years Since the Last Audit
3. Complexity of Operations
4. Management Concern
5. Operational Impact
6. Public Perception
7. Rapid Growth

Each risk factor was weighted. Numerical risk scores were assigned to each risk factor for each auditable entity. Total risk scores were calculated and auditable entities were ranked in order of total risk score. Selections were then made from auditable entities with the highest total risk scores and included in the comprehensive audit plan. In addition to the entities selected through the risk assessment process, other projects required by statute, ordinance, or professional auditing standards were included in the comprehensive audit plan.

PLANNED PROJECTS

Annual Audits And Investigations

Audits Planned

Amphitheatre – Comprehensive audit of revenue and expenses and related controls
Fire District – Audit of purchasing, fixed assets, supplies, and maintenance of equipment processes
Building Services - Audit of the issuance of building permits, procurement and contract management processes
Clerk of Court Civil Court and Criminal Court – Operational audit of Evidence Room process and related controls
Amphitheatre - Follow Up Audit (Cash Management)
Golf Course - Follow Up Audit (Cash Handling and Inventory)

Continuous Audits

Guardianship Audits
Unannounced Imprest Funds Audits
Tourist Tax Development Tax Audits

Investigations

Guardianship Investigations
Public Integrity Investigations

Ongoing Projects

Fraud, Waste and Abuse Hotline
Tourist Tax Development Tax Enforcement