

OFFICE OF INSPECTOR GENERAL

Brandon J. Patty
Clerk of the Circuit Court and Comptroller
St. Johns County, Florida



THE ANNUAL REPORT

FISCAL YEAR 2020-2021

October 1, 2020 – September 30, 2021

Nilsa Arissa
Inspector General

Table of Contents

Inspector General’s Message	3
OIG Mission	5
Background	5
Operations	5
Audit Services.....	6
Guardianship Audit and Compliance.....	6
Investigations.....	7
TDT Audits and Enforcement	8
Consulting.....	8
Professional Development.....	8
OIG Staff During FY 2020-2021.....	8
Looking Forward.....	9

Inspector General’s Message

I am pleased to present the Fiscal Year 2020-2021 Annual Report covering the activities of the Office of the Inspector General (OIG) for the period October 1, 2020, through September 30, 2021. The report meets the requirements set forth in Florida Statutes Chapter 20 Section 05 (c), stating the OIG must “compile annually comprehensive program budget reporting all program and fiscal matters related to the operation of his or her department, including each program, subprogram, and activity, and other matters as required by law.”

The FY 2020-2021 Annual Report provides a comprehensive snapshot of the OIG’s accomplishments and initiatives.

It has been an eventful year. We conducted four audits and provided 26 recommendations enhancing efficiency and promoting accountability within processes. Although no Tourist Development Tax (TDT) audits were performed, five accounts were identified and scheduled for audit in the second quarter of Fiscal Year 2021-2022.

The Fraud, Waste and Abuse (FWA) telephone hotline received 19 complaints resulting in three investigations with 11 recommendations. All three investigations were referred to law enforcement for determination of criminal impact. Two of the three resulted in disciplinary action, and the third led to restitution.

Initiatives included continued pursuit of OIG accreditation for investigative services, assuming ownership of all guardianship accounting audits requiring financial oversight and taking the necessary steps to meet requirements for admission to the Statewide Investigative Alliance (SIA.)

I extend my appreciation for the support provided to the OIG by the Board of County Commissioners (BCC), County Administration, the Clerk of the Circuit Court and County Comptroller, St. Johns County employees, the Office of the State Attorney, St. Johns County Sheriff’s Office, and St. Johns County residents.

The OIG looks forward to continuing its commitment to promoting accountability and integrity in its services to St. Johns County during Fiscal Year 2021-2022.

Respectfully,



Nilsa Arissa, CIG
Inspector General

FISCAL YEAR 2020-2021 EXECUTIVE SUMMARY

Promoting Efficiency and Accountability



6 Total Reports Issued

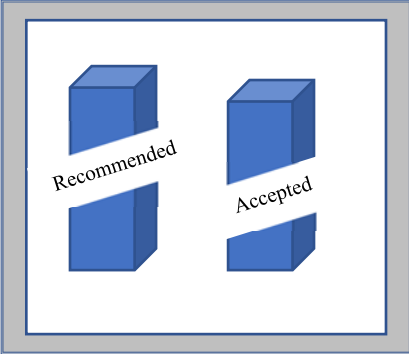
- Audit: 2 Reports
- Inventories: 1 Inventory Audit Report
- DAVID: 1 Report
- Investigations: 2 Reports
1 Referral



37 Total Recommendations to Enhance Efficiency and Accountability

* % is based on 22 of 37 recommendations provided where 21 were implemented within FY 2021 with the remainder 10 awaiting Management response.

95%* Recommendations Accepted/ Implemented by Management in 2021



Oversight Responsibility



The Office of Inspector General
Consists of 2 Full-Time Employees *



1,363 Total Employees **
Subject to Oversight



\$365.4 Million Total Dollars Subject to Oversight**

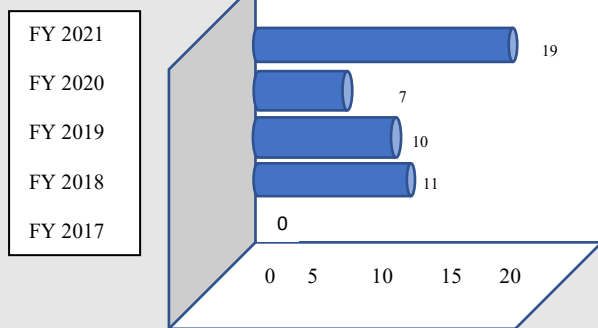


.07 Cost Per Resident/Per Year for IG Operations **

* Assistant IG employed five months. Inspector General employed one full year. Capacity for the year was 1.5 employees.
** Based on Fiscal Year 2019-2020 Statistical Information reported in the Comprehensive Annual Financial Report.

Fraud, Waste and Abuse Complaints Received by Fiscal Year (FY)

Total FWA Complaints Received Each Fiscal Year



All FY 2020-2021 FWA complaints received were addressed within the fiscal year, with one investigation carried over into FY 2021-2022.

OIG Mission

“To provide independent, objective auditing and investigative services that add value, improve County operations and preserve public trust.”

Background

Pursuant to the constitutional and statutory provisions cited in Section 1(d), Article VIII, the Florida Constitution provides for the election of certain county officers including a Clerk and states "...the Clerk of the Circuit Court shall be ex officio Clerk of the Board of County Commissioners (BCC), Auditor, Recorder and Custodian of all county funds." As the county's auditor, the St. Johns County Clerk of the Circuit Court and Comptroller (SJCCOC) established the Office of the Inspector General (OIG) in 2017 via charter to fulfill the responsibilities of the office as they relate to auditing and investigative functions. The OIG reports directly to the Clerk of the Court.

Operations

The OIG's responsibilities are comprised of four areas:

1. Audit Services

Planned audits	Projected in Annual Plan
Unplanned audits	Ad hoc Management operational audits request
Driver and Vehicle Information Database (DAVID)	Review of users and data access (BCC and SJCCOC)
Continuous audits	Cash drawer Imprest funds
Other governmental audits	Information Technology (IT) batch data audit

2. Guardianship Audit and Compliance

Level I - Audit of accountings	Financial impact; initial, annual, and final accountings
Level II - Monitoring of accountings	Non-compliant documentation

3. Public Integrity

Investigations	Fraud Waste and Abuse (BCC and SJCCOC)
	Ethical
	Referral to law enforcement for potential criminal impact
Guardianship	Level III – Cases identified internally with potential fraud
	Statewide Investigative Alliance assistance

4. Tourist Development Tax (TDT)

Audit of accounts	Account filing for compliance
Enforcement	Jeopardy audits for delinquent accounts
	Referral to law enforcement for potential criminal impact
Audits of funds	Earmarked expenditures as mandated by Florida Statutes

Audit Services

During FY 2020-2021, the OIG conducted a total of four audits, which included a review of SJCCOC DAVID user activity and processes, an unannounced SJCCOC cash count, a limited scope audit of SJC purchase card (P-Card) activity, and an inventory of St. Johns County (SJC) guardianships. All audits are conducted to identify, report, and recommend opportunities for improvement and/or corrective action for control deficiencies or non-compliance with policies and procedures, statutes, and regulatory laws. Audits are also conducted to evaluate processes and progress to provide recommendations to improve the effectiveness and efficiency of operations. The OIG performed its audits in conformance to the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing and the Association of Inspectors General Principles and Standards for Offices of Inspector General.

DAVID Audit

The OIG conducted an audit of internal controls over SJCCOC's access and usage of DAVID data provided by the Florida Department of Highway Safety and Motor Vehicles (DHSMV). The audit was required per a Memorandum of Understanding (MOU) between SJCCOC and DHSMV to determine whether the use of DAVID complied with the terms of the MOU, and whether internal controls were adequate to protect personal data received from DAVID from unauthorized access, distribution, use, modification, or disclosure.

The OIG determined the use of DAVID complied with the terms of the MOU, and internal controls were generally adequate to protect data received from DAVID, but internal controls could be strengthened in some areas. We identified opportunities for improvement and provided 11 recommendations to Management. A post audit was performed 90 days later to review the implemented controls and updates to documented policy and procedures. The OIG verified Management implemented all 11 recommendations.

Unannounced Cash Drawers and Change Funds Audit

An audit was conducted for unannounced cash drawers and change funds for SJCCOC Customer Service, Recording, and Traffic Divisions. The audit's purpose was to verify the existence and amounts of these funds, to observe the cash collection process, and to review the physical safeguards for protecting funds at this location and confirm policies and procedures are being followed. The OIG identified opportunities for improvement and provided seven recommendations to Management. Management implemented six of the seven recommendations. This initial audit is representative of the OIG's intent to conduct a continuous audit of these processes.

Limited-Scope P-Card Audit

A limited-scope audit of the SJC P-Card Program was performed to provide assurance that policies, procedures, and existing controls were being followed and to identify opportunities for improvement. The OIG determined the total population of P-Cards for BCC and SJCCOC, reviewed expenditures by P-Card for selected departments, and issuance and cancellation controls for compliance to Purchasing Policy. The OIG identified opportunities for improvement and provided four recommendations to Management. Responses to recommendations are expected in the first quarter of FY 2021-2022.

Guardianship Audit and Compliance

As part of the SJCCOC Guardianship Program oversight and pursuant to Florida Statutes (F.S.) §744, audits are performed on all Guardian-submitted accountings to ensure the protection of St. Johns County's vulnerable residents and wards' assets. In FY 2020-2021, the Probate Clerk conducted audits of Guardian-submitted accountings while the OIG focused on verifying identified questionable documentation and activity that could indicate potential fraud. Audit results, protected under F.S. §744.30, are docketed in the

SJCCOC court repository system, Benchmark, and available to the Court for review, reference, and any required action.

The Guardianship audits are categorized into three levels as described below:

Level I: The review of guardianship accountings submitted by the Guardian, in conjunction with the supporting documentation to ensure compliance of requirements and timely filing per F.S. §744. If non-compliant, it is identified as a Level II for further review and documentation requests.

Level II: An examination of guardianship accountings and documentation identified as non-compliant during the Level I audit. Documentation is reviewed, and limited inquiries for explanations or additional documentation are made to the Guardian and Attorney of Record. Letters are prepared, docketed, and mailed to the Guardian. Case is monitored for potential fraud.

Level III: A comprehensive examination of guardianship accountings, documentation, and other pertinent information to verify identified potential fraud, assess if an investigation is required, and report to SIA.

In FY 2020-2021, the OIG performed an inventory and an examination of all open guardianship cases to identify the total population of guardianships under the SJCCOC Guardianship Program and those requiring financial oversight. During the inventory period, the OIG determined there were 627 open guardianship cases with 153 requiring financial oversight. Two cases requiring a Level II audit for non-compliance were identified. No cases required a Level III audit. As a result of this examination and best practices received as part of a SIA survey, the OIG established a review process for historical cases denoted as a Level II by the Probate Clerk to assist with audits relating to non-compliant issues or with an indication of potential fraud. The OIG provided findings and four recommendations to the Probate Clerk. Most were addressed with the remainder awaiting required documentation and expected to be resolved in the first quarter of FY 2021-2022.

As of October 1, 2021, the OIG will assume from the Probate Clerk the process of auditing Guardian-submitted accountings (Level I) for guardianship cases with a financial impact. The OIG will identify non-compliant findings in accountings (Level II) and perform investigations for audits identified with a potential for fraud (Level III.) Additionally, these accountings will be tracked and monitored for compliance to ensure efficiencies are gained in time, effort, and resources across the SJCCOC and SJC Court guardianship hearings.

Investigations

The OIG initiates, conducts, supervises, and coordinates investigations designed to detect, deter, and prevent potential fraud, waste, and abuse in SJC. Tools designed to facilitate reporting, such as the Fraud, Waste and Abuse telephone hotline, SJCCOC IG website forms, and OIG open-door policy, help protect county resources and programs. Investigations generated from these sources are conducted by the OIG and typically involve alleged violations of county ordinances, policies, and procedures and/or Florida Statutes. All investigations are assessed for potential criminal impact and are communicated to appropriate law enforcement agencies for criminal review and/or action.

During FY 2020-2021, the OIG received 19 complaints. Three of the complaints required investigations. Allegations in two investigations proved to be founded, and disciplinary action was taken by Management. Of the two, one was protected information and not published; the case was completed and closed in FY 2020-2021. The second is expected to be completed in the first quarter of FY 2021-2022. The third

investigation was referred to SJSO, restitution was obtained, and the investigation was closed in FY 2020-2021.

Investigations were performed in compliance with the Principles and Standards for Office of Inspector General and The Florida Inspectors General Standards Manual from The Commission for Florida Law Enforcement Accreditation.

St. Johns County Tools for Reporting Fraud, Waste and Abuse:

Telephone Hotline:	(886) 272-4351
Email:	fwa@sjccoc.us
SJCCOC Inspector General webpage	Fraud, Waste and Abuse form Guardianship fraud form TDT fraud form
St. Johns County Public Request Inquiry Data Exchange (PRIDE) website	Fraud, Waste and Abuse form Mail

Information can be provided anonymously and remains confidential.

Providing a point of contact is encouraged to ensure additional necessary information can be obtained during the investigative process.

TDT Audits and Enforcement

Although no TDT audits were performed, the OIG reviewed the audit selection process and identified five accounts for auditing. A letter of engagement, along with a list of required documents, was mailed to each account. The audits are scheduled for the second quarter of FY 2021-2022.

Consulting

Management or other external governmental offices may request consulting services from the OIG. Requests can be for a review of an area or process not necessitating a full audit but requiring an analysis or summary, or an agreed-upon arrangement for an audit and attestation.

The OIG and the St. Johns County Sheriff’s Office (SJSO) entered into an agreement in FY 2020-2021 to perform an attestation consulting service for the audit of internal controls and security over the Data Exchange Report. In the OIG’s opinion, existing SJSO internal controls were adequate to protect data from unauthorized access, distribution, use, modification, or disclosure and in compliance with the requirements of the Memorandum of Understanding (MOU) #0507-19 and provided an attestation on June 15, 2021.

Professional Development

OIG Staff During FY 2020-2021

Nilsa Arissa, Certified Inspector General (CIG)
Inspector General (IG)

Hailey Malacos
Assistant Inspector General (AIG)

During FY 2020-2021, OIG staff members received Continuing Professional Education (CPE) and met the requirements for the OIG as required by professional auditing and accreditation standards, applicable professional organizations, and OIG policy. The CPE was comprised of in-person, virtual and webinar training and courses, and conferences. Staff also received internal and peer IG office training.

The IG attended the Inspector General Academy and successfully obtained the Certified Inspector General designation. Both the IG and AIG attended the Irene Rausch Guardian Training to support the auditing of guardianship accountings in FY 2021-2022.

The OIG is affiliated with the following associations:

- Association of Inspectors General (AIG) (National and Florida Chapters)
- Association of Certified Fraud Examiners (ACFE)
- Commission for Florida Law Enforcement Accreditation (CFA)
- The Commission on Accreditation for Law Enforcement Agencies (CALEA)
- The Florida Police Accreditation Commission, Inc. (FLA-PAC)
- Florida Court Clerks and Comptrollers (FCCC)
- Florida Tourist Development Tax Association (FTDTA)

The OIG recognizes that the quality and effectiveness of its services are dependent upon a professionally trained staff and allocates resources to ensure appropriate continuing education is achieved. Training and affiliations with related associations are a vital component of OIG departmental growth by providing knowledge, current developments, and best practices, ensuring effective and efficient use of resources for services provided to SJC.

Looking Forward

The OIG Annual Plan sets out the following goals for FY 2021-2022:

- Continue to promote integrity, accountability, and transparency in government while improving the efficiency and effectiveness of operations.
- Carry out the planned and continuous audits through the addition of a dedicated auditor role.
- Provide consulting services internally or externally as appropriate.
- Provide oversight to the Guardianship Program through the audit of accountings and monitoring of non-compliance to ensure efficient use of resources across SJC.
- Pursue an alliance with the SIA by providing assistance with jurisdictional information and insight into SJC guardianship cases, while meeting the requirements for admission.
- Continue to review, assess, address and/or investigate complaints related to SJCCOC and SJC departments, programs, and operations.
- Further develop and strengthen the OIG Public Integrity Unit to offer SJC investigative services with the professional standards established by the CFA.
- Progress toward the completion of requirements set forth by the CFA to achieve accreditation of OIG investigative services by second quarter FY 2022-2023.

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