

MARTHA INGLE



CLERK OF COURT, WALTON COUNTY, FLORIDA

Walton County
Clerk of the Court's Office
Child Support Review

Martha Ingle
Clerk of the Courts

Internal Audit Department

Johnny Street
Internal Audit Manager

Report 08-03
September 2008

REPLY TO:

- 571 U.S. HIGHWAY 90 EAST ♦ P.O. BOX 1260 ♦ DEFUNIAK SPRINGS, FLORIDA 32435-1260
(850) 892-8115 ♦ FAX (850) 892-8130 ♦ SUNCOM 676-8118 ♦ FL TOLL FREE 1-800-342-0141
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- 25220 U.S. HIGHWAY 331 SOUTH ♦ P.O. BOX 1327 ♦ SANTA ROSA BEACH, FLORIDA 32459
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MARTHA INGLE



CLERK OF COURT, WALTON COUNTY, FLORIDA

September 28, 2008

Martha Ingle, Walton County Clerk of the Courts

The Internal Audit Department has conducted a review of Walton County Clerk of the Courts' Child Support services. The Child Support services were reviewed for the period of October 2006 to September 2007 to determine if internal controls adequately ensure all child support payments are properly collected and disbursed. In addition, court orders were reviewed to ensure child support records were accurate and properly recorded and that all legally required laws and regulations, procedures and policies were followed.

The audit was conducted in accordance with generally accepted government auditing standards, and included such tests as considered necessary for the area under review. These standards require the audit to be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions. Based on the audit objectives, Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions.

Management's written responses to our Recommendations for Improvement are incorporated herein.

We appreciate the cooperation of the personnel of the Clerk's office during the completion of this audit.

Johnny Street
Internal Audit Manager

c: Kim Anderson, Civil Court Supervisor
Cindy Yates, Chief Deputy Clerk

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EXECUTIVE SUMMARY

Executive Summary

The Internal Audit Department conducted a review of the Clerk of Courts' (Clerk) responsibilities and controls for Child Support. The review included an examination of the internal controls for the processing of child support payments and the recording of child support court orders for the period of October 2006 through September 2007. The objective of the audit was to determine if adequate controls were in place to ensure the child support payments received by the Clerk were recorded properly, accurately, and in compliance with all applicable policies and procedures, laws, statutes, and regulations. Also to ensure that the court orders are recorded properly and accurately in the Clerk's child support system.

In the opinion of internal audit, controls over child support services were adequate during the audit period; however, there is room for improvement in the area of delinquent support payments. Due to limited staffing available for Child Support the delinquent payment notices are not always issued in the time frame allowed by Florida Statutes. In addition, invoices for contracted support payment collection and distribution were not reviewed to ensure the invoiced charges were correct.

Based on the work performed, the department materially complied with applicable laws and regulations.

The Internal Audit Department commends the Clerk of Courts and the Clerk's Child Support personnel on their dedicated service to the public in ensuring that child support payments are accurate and proper and that court orders for support are properly recorded. The child support staff was found to be extremely knowledgeable and highly dedicated in the performance of their duties.

INTRODUCTION



INTRODUCTION

Child Support Review

Background

The Clerk of the Courts maintains all records and documents related to child support ordered by the courts. The Clerk is an integral part of the establishment, modification, collection, disbursement, and enforcement of child support orders and payments. The Clerk maintains, for the court, the child support records, payments, amount received, disbursed, arrearages, liens, and the vital statistics of the parties involved in the court ordered support obligations.

The State of Florida in 1992 mandated a statewide Child Support Enforcement Collection System. The Florida Association of Court Clerks (FACC) established the CLERC system (system) pursuant to Florida Statute (FS) 61.181(2)(b)1. This system transmits information to the Florida Department of Revenue's (DoR) automated child support enforcement system. Under this mandate, a private contractor, ACS State & Local Solutions, Inc. (ACS) developed, implemented, and operates a centralized State Disbursement Unit (SDU) for the receipt and disbursement of support payments.

In 1999, the Clerk began participation in the SDU for the collection and disbursement of child support payments enforced pursuant to Title IV-D of the Social Security Act. In addition, the Clerk opted to have all private non-IV-D cases processed with ACS. The Clerk's office acting in the capacity as local depository accepts support payments which are forwarded to the SDU. Per the contract with ACS and Florida Statutes the Clerk receives a processing fee for private support payments.

Scope, Objectives, and Methodology

The review of the Clerk's Child Support services was conducted for the period of October 2006 through September 2007. The objective of the review was to determine if the Clerk's policies and procedures adequately support good internal controls. The adequacy and accuracy of child support court orders, support payments and disbursements were also reviewed. Additionally, the review was completed to ensure that the Clerk was in compliance with all federal, state, and local laws, regulations, resolutions, and ordinances.

To accomplish the audit objectives key personnel in the Child Support services were interviewed in order to obtain a thorough understanding of responsibilities pertaining to child support. A review of applicable policies, procedures, laws, and regulations was also conducted.



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Additionally, child support cases and their court orders were reviewed to ensure the information in the system and support payments are recorded, reported, monitored, and disbursed accurately. Additional audit procedures were performed that were considered necessary for the circumstances.

Overall Conclusion

Based on the results of the work performed, the Walton County Clerk of the Courts provided good internal control over child support services and materially complied with applicable laws, rules, and regulations and policies and procedures. In the opinion of Internal Audit, the system of internal controls over the child support services was adequate. Recommended improvements are noted in this report.

**RECOMMEDATIONS FOR
IMPROVEMENT**

RECOMMENDATIONS
FOR IMPROVEMENT

Child Support Review

1. **Delinquent Support Payment Notices are not Always Issued as Required by Florida Statutes.**

Child support payments were reviewed as part of the child support audit. Specifically, a review of delinquent support payment notices was conducted. The process for the disposition of delinquent child support payments is defined in Florida Statute (FS) 61.14. Internal Audit's review of delinquent payments was limited to private support cases. It is the responsibility of the Title IV-D agency to issue delinquency notices for cases other than private.

The Clerk's child support is required by Florida Statute 61.14(6)(b) to serve notice to the obligor if their support payment is 15 days past due. The notice is required to inform the obligor of the delinquency and amount, an impending judgment by operation of law, the right to contest the impending judgment, and the Clerk's authority to release information to credit agencies. The obligor is allowed 15 days to respond to the court with a motion to contest the impending judgment. If the obligor does not pay the delinquency or file a motion to contest the delinquency within the time limit prescribed, the delinquency becomes a final judgment by operation of law per FS 61.14(6)(e).

Delinquency notices are not always issued as required by the statutes. In addition, final judgments are not always recorded in the public records in a timely manner. For some cases the delinquency notices are held because the obligor is incarcerated or an income deduction order is being sent to the obligor's employer. The statutes make no provisions for holding the delinquency notices after the support payment becomes delinquent.

The notice of delinquency indicating an impending judgment is a good incentive for the obligor to pay the delinquent support payments. A judgment by law helps restrict the financial transactions of the delinquent obligor. This requires the obligor to resolve the judgment and payment of the delinquent support. Failure to issue the delinquent notices timely may result in additional amounts becoming delinquent and unpaid.

Internal Audit Recommends the issuance of delinquent payment notices as directed by Florida Statutes. Additionally, the judgments by law should be recorded in the official records of the County when the delinquency is not paid.

Management's Response:

In order to find out what cases are behind 15 days our office would have to have someone run the report every day and send out the notices. We do not have the staff to do this every day.

We do try to run the delinquency notices once a month but will attempt to do this more often as time and staff will allow.

2. ACS Invoices were not Verified Prior to Payment.

The Clerk of Courts contracted with the Florida Association of Court Clerks (FACC) and the ACS State & Local Solutions Inc. (ACS) to implement and operate the centralized State Disbursement Unit (SDU) for the receipt and disbursement of child support payments. The Clerk opted to allow ACS to process private support payments in addition to the Title IV-D support payments. Under this contract ASC receives \$2.75 for each private account payment made through the system.

The ASC monthly invoices and accompanying documentation were reviewed to determine if the amount billed was accurate. The supporting documentation listed the number of the payments for each day, the amount of the payment, and the case number. It was noted that the payment of the invoices was properly approved; however, the supporting documentation was not verified to the child support payment system to ensure the charges billed were accurate.

Good internal control would be to verify the accuracy of all invoice amounts prior to payment. Without proper invoice verification, the Clerk cannot ensure that the proper charges are paid.

Internal Audit Recommends ACS invoices be reviewed and compared to the payment information recorded in the child support system. The invoice should be initialed and dated to provide assurance that the charges are accurate prior to approval for payment.

Management's Response:

The ACS invoices do not come through the Child Support Department.