

MARTHA INGLE



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CLERK OF COURT, WALTON COUNTY, FLORIDA

Walton County  
Clerk of the Court's Office  
Manual Receipt Book Review

Martha Ingle  
Clerk of the Courts

Internal Audit Department

Johnny Street  
Internal Audit Manager

Report 08-04  
December 2008

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MARTHA INGLE



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CLERK OF COURT, WALTON COUNTY, FLORIDA

December 16, 2008

Martha Ingle, Walton County Clerk of the Courts

The Internal Audit Department has conducted an audit of Walton County Clerk of the Courts' use of Manual Receipt Books. The manual receipt books were reviewed for the period of October 2007 to September 2008 to determine if internal controls adequately ensure all manual receipts are properly issued. In addition, the manual receipts were reviewed to ensure funds collected 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.

Internal Audit appreciates 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  
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## EXECUTIVE SUMMARY

## Executive Summary

The Internal Audit Department conducted a review of the Clerk of Courts' (Clerk) controls for the use of manual receipts. The review included an examination of the internal controls for the issuance of manual receipts and the subsequent recording of payments for the period of October 2007 through September 2008. The objective of the audit was to determine if adequate controls were in place to ensure the payments received using manual receipts were recorded properly, accurately, and in compliance with all applicable policies and procedures, laws, statutes, and regulations.

In the opinion of internal audit, controls over the issuance of manual receipts were adequate during the audit period; however, there is room for improvement in the area of the timely recording and depositing of cash receipts. In addition, some receipts did not have the appropriate copies or the copies were written over.

Based on the test work performed by internal audit, the use of manual receipts materially complied with applicable laws and regulations.

The Internal Audit Department commends the Clerk of Courts and the Clerk's personnel on their dedicated service to the public in ensuring that all payments made to the Clerk are accurately and properly recorded.

# INTRODUCTION



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## INTRODUCTION

### Manual Receipt Book Review

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#### Background

The Clerk of the Courts issues a computer generated receipt for payments made to the Clerk. Occasionally, a manual receipt will need to be issued when the computer receipt cannot be generated. This may be a result of the computer system not operating or the case or other information not being available on the system. When this occurs, a manual receipt will be issued so the customer may make the payment at the time of their visit to the office.

The Clerk's Finance Department (Finance) maintains a supply of receipt books that are used by the Board of County Commissioners (Board). Finance and the Clerk's Administration Department (Admin) use these receipt books to record payments for insurance, maps, copies, fees, etc. that are made to the Board. They also issue these books to County Departments (Departments) that collect Board monies. Form CF-1 is used to issue the books to the departments upon request. In addition, the Criminal and Civil Departments maintain a supply of receipt books for use by the Clerk. A receipt book log is maintained for control and accountability of the receipt books.

Finance has a Cash Handling Procedure (procedure) that contains a section for the use of manual receipts and a section for voided receipts. The procedure delineates the information that should be written on the manual receipt or should be on the voided receipt.

#### Scope, Objectives, and Methodology

The review of the manual receipts was conducted for the period of October 2007 through September 2008. The objective of the review was to determine if the Clerk's policies and procedures for the issuance of manual receipts adequately support good internal controls. The accountability and control of used, unused and books in-use was 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 receipt books were reviewed to determine if the use of the receipts complied with the procedures and to ensure voided receipts were handled according to the procedure. A review of applicable policies, procedures, laws, and regulations was also conducted.



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## INTRODUCTION

### Manual Receipt Book Review

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Additionally, the manual receipts were compared to the computer generated receipts to determine accuracy. Further, the amount of time between the manual receipt date and the date the transaction was actually entered into the system was reviewed. 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 manually written receipts 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 manual receipts was adequate. Recommended improvements are included in this report.

# RECOMMEDATIONS FOR IMPROVEMENT



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RECOMMENDATIONS  
FOR IMPROVEMENT

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Manual Receipt Review

1. **Certain Receipt Books did not have a Copy of the Original Manual Receipt.**

The Clerk receives payments from the general public for services, fees, fines, court orders, etc. When a customer makes a payment, a computer generated receipt is issued. On occasion, the computer receipt may not be available because the computer system is out of service or the Clerk has not received the necessary case or citation information. Finance's Cash Handling procedure requires that a manual receipt be issued to the customer when a computer receipt is not available.

The manual receipts are two parts; a white receipt given to the customer making the payment and a yellow copy that remains in the book as a record of the payment. During the review, it was noted that three of the yellow copies were not an actual copy of the original white receipt. The yellow portion of the receipt had been either hand written or the copied information written over. In addition, the amount was altered on two of the yellow copies. A computer receipt had been attached to each of the yellow copies. The amount on computer receipt agreed with the amount written on the yellow copy; however, without the original white receipt, the actual amount collected from the customer could not be verified.

Good internal control would be to have a supervisor review the transaction and sign the hand written or altered yellow copy that stays in the receipt book. After the transaction is completed there is no way to verify what was written on the white copy given to the customer.

**Internal Audit Recommends** a provision be developed and included in the procedure that addresses the above issue. This provision should restrict the cashiers from writing on the yellow copy without management approval.

2. **The Recording and Deposit of Some Payments was Delayed.**

Manual receipts are issued to customers when a computer receipt can not be generated. The funds collected by the cashiers are secured in a locked safe separate from other receipts until the computer transaction is completed. Several days may expire before the case, citation, court order or other information necessary to complete the transaction is entered into the computer system. The funds are not deposited until this information is entered and the computer transaction is complete.



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**RECOMMENDATIONS  
FOR IMPROVEMENT**

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**Manual Receipt Review**

As part of the manual receipt review, the time that elapsed between the date the customer made the payment and the date of the subsequent deposit was tested. In particular, the date the transaction was recorded and the payment receipted into the computer system was compared to the date the information necessary to complete the transaction was entered. Some of the transactions and subsequent deposits were not completed promptly after the required information was recorded. Based on interviews with key personnel and supervisors, it was determined that this may sometimes occur when the clerk holding the receipt is out sick or on vacation at the time the information necessary to complete the transaction is entered into the system; however, an explanation was not available for some of the delayed deposits.

Good internal control would be to deposit all cash receipts when received or at the earliest possible date. A delay in the deposit of cash receipts increases the risk of mishandled or misplaced funds. The procedure does not address the process of handling cash receipts that are unavoidably held from the daily deposit.

**Internal Audit Recommends** that management develop a procedure which addresses the issue of cash receipts that are not deposited when received. Additionally, management should provide close oversight of all cash receipts that are held for deposit and include the review of any receipts held by a cashier out on leave.