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**Office of Paula S. O'Neil
Clerk & Comptroller
Pasco County, Florida**

TO: Dr. Paula S. O'Neil
Clerk & Comptroller

FROM: Michelle Bishop
Director of Internal Audit

RE: Examination of Cashiering Transactions

DATE: February 7, 2011

In response to your inquiry on January 7th, 2011 regarding some discrepancies found in quarterly reports, the Internal Audit Department has completed a review of Brandy Hartz's cashiering transactions. The steps taken and results of this review are detailed below.

Background

On January 7th, 2011 some discrepancies were discovered during a review of a quarterly report by the Court Technical Specialists. It appeared that in the Dade City Criminal Traffic Department a cashier was receipting for cases in the cashiering system, backing out the same receipt in the system and then not reapplying it. The Director of Criminal Court Services brought documentation for seven cases to the Director of Internal Audit for verification. The Director of Internal Audit reviewed the documents and verified what appeared to be a possible theft of money. The Dade City Police Department was contacted by the Clerk & Comptroller; all documentation related to these seven cases was brought to the Dade City Police Department for investigation. According to detectives at the Dade City Police Department, there was enough evidence to indicate an offense had occurred. A detective with the Dade City Police Department met with the State Attorney's Office to discuss the case; the State Attorney's Office suggested not going forward with any charges against the cashier until Internal Audit had completed their review to determine if additional incidences by this cashier exist.

After meeting with the Detective of the Dade City Police Department, Internal Audit began further review of all receipts backed out by Brandy Hartz.

Examination of Cashiering Transactions 1/07/11

Scope

The objective of Internal Audit was to determine:

- If additional receipts were backed out by Brandy Hartz and not reapplied in the cashiering system.
- The number of transactions and amount of cash that was not reapplied in the cashiering system by Brandy Hartz.
- The approximate time frame Brandy Hartz began backing out receipts in the cashiering system and not reapplying them.

Methodology

As part of the review, Internal Audit took the following actions:

- Obtained, reviewed and analyzed a report of all receipts backed out of the Clerk's cashiering system by Brandy Hartz for the period July 1, 2009 through January 11, 2011.
- Obtained, reviewed and analyzed daily register balancing aid reports for the dates Brandy Hartz backed out receipts in the Clerk's cashiering system to determine if the backed out receipts were reapplied in the cashiering system.
- Examined defendant case records in the Criminal Justice Information System (CJIS) and the Traffic infraction system to determine that the cases related to the backed out receipts were documented as being paid with the original receipt number.
- Obtained and reviewed computer access and password change audit logs for the Clerk's cashiering system for Brandy Hartz to determine that she was signed into the cashiering system at the time the receipts were backed out and to verify that she changed her password for the cashiering system every 90 days as required by office policy.
- Obtained and reviewed payroll records of Brandy Hartz for the days she backed out receipts and did not reapply them in the cashiering system to verify that she was present on the days the receipts were backed out of the cashiering system.

Findings

Brandy Hartz, a Criminal Records Clerk in the Criminal Traffic Department, backed out 34 receipts from the Clerk's cashiering system for payment of traffic fines or costs from April 22, 2010 through December 17, 2010 and the cash was removed from the cash drawer for a total of \$8667.00.

The following is a summary of the facts and verification supporting Internal Audit's findings:

Examination of Cashiering Transactions 1/07/11

Internal Audit obtained a report listing every receipt backed out in the cashiering system by Brandy Hartz for the period of January 1, 2010 through January 11, 2011. The report contained a total of 290 backed out receipts. Internal Audit tested 144 of the receipts which contained all 110 cash receipts, 33 receipts paid by check and one receipt for an electronic payment. The receipts paid by check and electronic payment were properly reapplied in the cashiering system. Out of the 110 cash receipts, 34 were not reapplied in the cashiering system. The Internal Audit Department obtained a copy of the original receipt, the backed out receipt and the daily balancing aid for the date of each backed out receipt. We compared the case number, name, and amount on the backed out receipt to the daily balancing aid and determined that these backed out receipts were not reapplied in the cashiering system. The case numbers related to the original receipts and the backed out receipts were compared to the Criminal Justice Information System and the Traffic Infraction system; it was verified that the original receipt numbers were entered as payments for the associated cases.

Receipts that are validated in the Clerk's cashiering system and need to be corrected (ie. wrong case number, misspelled name, etc.) should only be released in the system by a supervisor or lead. Brandy used six different people to have these 34 receipts released. Once a receipt was released from the cashiering system she would back the receipt out of the system and remove the money from the drawer in order for her drawer to balance at the end of the day. She would forward the original receipt to the appropriate employee to have it docketed or entered into CJIS or the Traffic Infraction system to ensure the defendant got proper credit for the payment. In some instances, this would result in a satisfaction being recorded if necessary.

Eight of the 34 receipts were originally receipted for by another cashier. On days when this cashier was absent from work, Brandy requested these receipts be released from the system. She then backed out the receipt from the system and removed the cash from her drawer. This had no effect on the other cashier or the defendant's case.

Internal Audit obtained the payroll records (timesheet logs) that showed that Brandy Hartz was present at work when these 34 transactions were conducted. We also obtained the audit logs for the cashiering system that show that Brandy Hartz was logged into the computer system at the time the transactions were backed out. Through the password change audit log obtained by Internal Audit, we verified that Brandy Hartz changed her password for the cashiering system every 90 days as required by office policy.

Additionally Internal Audit obtained a report of receipts backed out by Brandy Hartz for the period July 1, 2009 through December 31, 2009 to identify if any instances may have occurred prior to this time period. There were a total of seven backed out receipts by Brandy Hartz for this time period. Two of these receipts were for cash. Internal Audit tested these two receipts without exception. No further testing prior to this time period was deemed necessary.

Conclusion

Internal Audit determined that 34 receipts were backed out of the cashiering system by Brandy Hartz, a Criminal Records Clerk in the Criminal Traffic Department, from April 22, 2010 through December 17, 2010 and the money was removed from the cash drawer for a total of \$8667.00. Internal Audit prepared all transaction details and back up documentation supporting these transactions and forwarded it to the Dade City Police Department for further investigation.

Recommendations

It is the Clerk & Comptroller's position to report such matters to the appropriate authorities and to assist in criminal prosecution if necessary. A full review of internal controls should be conducted to determine how such incidents can be prevented in the future.

cc: Nikki Alvarez-Sowles, Chief Operations Officer
Kevin Fulford, Chief Administrative Officer
Roz Fenton, Director of Criminal Court Services
Detective Joseph Conrad, Dade City Police Department
Assistant State Attorney Stacey Sumner, Pasco County State Attorney's Office