



Finance-Internal Audit & Licensing

Cornelia Louis
Interim Deputy Director of Finance

Chief Executive Officer

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Date: October 24, 2012
To: Debra DeBerry, Superior Court Clerk
From: Interim Deputy Director of Finance, Internal Audit & Licensing
Subject: Clerk of Superior Court (CSC)
Re: 2011 Management Report

General Information

Internal Audit has reviewed the financial records of CSC for the period beginning January 1, 2011 and ending December 31, 2011. These records are summarized in our annual audit report on CSC. The Significant Deficiencies, Observations and Recommendations below address the financial operations of the Court.

Significant Deficiency I

We noted that receipts were not deposited in a timely manner into the Court Registry bank accounts.

Recommendation I

We strongly recommend that all receipts be deposited within two (2) business days from receipt.

Significant Deficiency II

In the past, CSC sent correspondence to Georgia Public Defender Standards Council (GPDSC), currently Georgia Superior Court Clerk Cooperative Authority (GSCCCA), informing the council of the accumulated interest on the escrow account within Court Registry Division. GSCCCA does an ACH, automatic clearinghouse, debit for the amount of interest earned on the account each month. From 2008 thru 2011, no interest earned was deducted on the Citizens Trust Escrow Trust Account within the Court Registry Division. Total interest earned as of December 31, 2011 was \$6,900.

Recommendation II

We recommend that Clerk of Superior Court inform GSCCCA of the accumulated interest on the Citizens Trust Escrow Account. Also, Clerk of Superior Court may consider having a document drawn where GSCCCA can deduct interest without receiving any correspondence from CSC. This was a recommendation that Internal Audit made in the previous years.

Significant Deficiency II- Insufficient Funds in Citizens Trust Escrow Account

During 2010, CSC transferred funds of most cases deposited in the Bank of America and Citizens Trust escrow accounts and assigned each case a separate non-interest bearing account; approximately 300 new accounts were opened in 2010. Due to a defalcation that occurred in 2004 from the Citizens Trust escrow account, the account has insufficient funds. The estimated account deficit is \$17,600. Furthermore, monies were disbursed from the Bank of America

account for a Citizens Trust escrow account case. Therefore, all cases in the Bank of America escrow account were not transferred because of inadequate funding in the bank.

Recommendation III

We recommend that CSC seek authorization from the Board of Commissioners (BOC) to replenish losses in the Citizens Trust escrow account. This will also resolve the shortage of funds in the Bank of America escrow account.

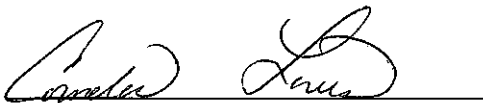
Comment

Passport execution fees were not remitted to the County for November 2011 and December 2011. Internal Audit was informed that the fees were deposited into a separate bank account. No further information was provided by the Clerk's Office relating to November 2011 and December 2011 execution fees.

The Code of Federal Regulations 22 C.F.R. § 51.61, Passport fees, states "When execution services are provided by an official of a state or local government or of the United States Postal Service, the fee may be retained by that entity to cover the costs of service pursuant to an appropriate agreement with the Department of State."

Internal Audit expresses appreciation for the assistance provided by your staff during our review. Please let us know if you have any questions or concerns.

Sincerely,



Cornelia Louis

cc: Richard Stogner, Chief Operating Officer/Executive Assistant
Joel Gottlieb, Chief Financial Officer/Finance Director
Gwen Brown-Patterson, Deputy Director of Finance-