

DeKALB COUNTY, GEORGIA



PROBATE COURT

MANAGEMENT REPORT

FOR THE YEAR ENDING DECEMBER 31, 2013

**PREPARED BY
INTERNAL AUDIT DIVISION**



Finance Department
Internal Audit & Licensing

Interim Chief Executive
Officer

Lee May

Board of Commissioners

District 1
Elaine Boyer

District 2
Jeff Rader

District 3
Larry Johnson

District 4
Sharon Barnes Sutton

District 5
Lee May

District 6
Kathie Gannon

District 7
Stan Watson

DATE: May 27, 2014

TO: The Honorable Judge Jeryl Debra Rosh, Probate Court

FROM: Comelia Louis, Interim Deputy Director of Finance, Internal Audit & Licensing

SUBJECT: Probate Court 2013 Management Report

General Information

Internal Audit has reviewed the financial records of Probate Court for the period beginning January 1, 2013 and ending December 31, 2013. These records are summarized in our annual audit report on Probate Court. The Observations, Comment, and Recommendations herein address financial operations of Probate Court.

Observation I- Uncleared Transactions – Voided & Reissued Checks and Payments

There were several checks issued from the operating account that were either voided or voided/reissued during 2012 and 2013 fiscal year. The checks were voided on the ledger, but were still in the custody of the payee. These checks can be presented by the payee and paid by the bank.

Probate Court (Court) bookkeeper uses QuickBooks software to disburse checks. Reissued checks were not clearly identified on the ledger or check stub as "reissued" or "replacement" check

Recommendation I

We recommend that the Court request an affidavit from all payees with voided checks that have acknowledged possession or receipt of the check. The written affidavit will provide Probate Court affirmation that the payee has agreed not to process the check(s).

Additionally, the Court should properly identify all voided checks and the corresponding replacement checks on both the monthly journals and reissued check stubs.

Observation II- Properly Identify Voided Checks

Checks were not properly voided. When checks are not stamped "Void", there is always the risk that the check may be inappropriately cashed.

Recommendation II

We recommend Court staff properly mark voided checks "Void" and hole-punch the Magnetic Ink Character Recognition (MICR) line. The MICR line is at the bottom of the check which typically includes document type indication, bank routing number, bank account number, check number, and check amount.

Observation III – Policy & Procedures for Voided Checks

There are no written policies and procedures in the Court regarding outstanding checks and voided or cancelled transactions.

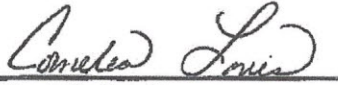
Recommendation III

The Court should establish procedures for outstanding checks (uncashed or unclaimed), voided checks, and cancelled transactions. The procedures should ensure voided checks in the possession of the payee are not cashed; and proper supervisory review of voided transactions.

Comment

The Court's bank reconciliations are prepared quarterly by a third-party accounting firm. Reconciliations should be performed more frequently to ensure accuracy and allow for early detection of errors and/or irregularities.

Internal Audit would like to thank Probate Court staff for their assistance during this review.



Cornelia Louis

CC: Zachary Williams, Chief Operating Officer / Executive Assistant
Gwen Brown-Patterson, Interim Chief Financial Officer/Finance Director
Claudette Leak, Administrative Project Manager

CL/AW