

MANAGEMENT LETTER

TO: Douglas A. Chabot, Clerk of Circuit and County

FROM: Elizabeth Hoag, CIA, CFE, CPA, Manager, Audit

DATE: May 2, 2025

SUBJECT: Follow-Up Audit of Guardianship Case Review Audit

Hernando County Clerk of Circuit Court
Audit Services Department
Follow-Up Audit Report
of
Guardianship Case Review Audit
May 2, 2025

In accordance with the Audit Services Department's policy, the audit was conducted a follow-up audit. The audit was conducted on the basis of the information provided by the auditee in the request for audit.

The purpose of this audit was to determine if the auditee's internal controls were adequate to ensure the accuracy and reliability of the financial statements. The audit was conducted on the basis of the information provided by the auditee in the request for audit.

Although the internal controls were found to be adequate, the audit did identify some areas for improvement. The audit was conducted on the basis of the information provided by the auditee in the request for audit.

The auditee was cooperative and provided all the information requested. The audit was conducted on the basis of the information provided by the auditee in the request for audit.

If you have any questions or need additional information, please contact the audit manager at (727) 240-4337 or email audit@hernandocountyfla.gov.

ATTACHMENT: Guardianship Case Review Follow-Up Audit Report

MANAGEMENT LETTER

TO: Douglas A. Chorvat Jr., Clerk of Circuit Court & Comptroller

FROM: Elizabeth Hogan, CIA, CFE, Chief Internal Auditor

DATE: May 2, 2025

SUBJECT: Follow-Up Audit of Guardianship Case Review Audit

In accordance with the Audit Services Department's Audit Project Schedule, the internal audit team conducted a follow-up audit of the Guardianship Case Review Audit. Based on testing and communications with key personnel, the audit team produced the attached report for your review.

The purpose of this report is to furnish management with independent, objective analyses, recommendations, counsel, and information concerning the activities reviewed. The audit report is a tool to help management discern and implement specific improvements. It is not an appraisal or rating of management.

Although the internal audit team exercised due professional care in the performance of this follow-up audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The courtesies and cooperation extended by the employees of the Hernando County Clerk of Circuit Court & Comptroller's Civil Courts Department during the audit were sincerely appreciated.

If you have any questions, concerns, or need additional information in regard to the above or the attached report, please do not hesitate to contact Audit Services at (352) 540-6235 or email AuditServices@hernandoclerk.org.

ATTACHMENT: Guardianship Case Review Follow-Up Audit Report

Copy: Jeff Gordon, Chief of Court Operations

Copy: Audit Services Planning & Priorities Committee

The Honorable Douglas A. Chorvat, Jr., CPM, CGCIO, Clerk of Circuit Court and
Comptroller

Joshua Stringfellow, CPA, Director of Financial Services

Jon Jouben, Esq., County Attorney

Jeffrey Rogers, PE, County Administrator

Toni Brady, MBA, CPM, CGFO, Deputy County Administrator

Albert Bertram, Budget Director

William Blend, CPA, CFE Shareholder, MSL P.A.

Jeff Wolf, CPA, Shareholder, MSL P.A

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Executive Summary

The Audit Services Department (ASD) conducted a follow-up audit of the Guardianship Case Review Audit dated July 22, 2022. The purpose of this follow-up audit was to determine the status of the previous recommendations for improvement and management's corrective actions.

The purpose of the original audit was to provide management with some level of assurance that the Civil Courts Department's desk audits complied with the Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, Auditing Duties and Responsibilities of the Clerk of Circuit Court Regarding Guardianship Files (The Order) and the associated Florida Statutes.

To assess the status of previous recommendations, the ASD interviewed management and staff members and performed limited testing.

Of the three recommendations in the original audit report, ASD determined that two recommendations were implemented. Due to a lack of documentation, the ASD could not confirm the implementation of the third recommendation.

The two recommendations that were implemented pertained to the following Opportunities of Improvement:

- Document Standard Operating Procedures (SOPs) for the desk audit process
- Perform desk audits and advise the Court of the results within 90 days

The one recommendation that the ASD was unable to confirm if it had been implemented pertained to the following Opportunity for Improvement:

- Implement and document supervisory review of completed desk audits

The Courts Civil Department management indicated that a second audit was performed by another staff member when an individual audit was questioned, however they did not sign the worksheet documenting that a second individual had also reviewed it. Therefore, the ASD was unable to confirm that this process was implemented. Going forward management has indicated that the second reviewer will also sign the audit worksheet.

ASD commends management for the full implementation of recommended improvements, and we encourage management to fully implement all recommendations.

Audit Comment No.	Audit Services Recommendation	Management Responses	Implementation Status		
			Implemented	Partially Implemented	Not Implemented
1.1	To ensure the continuity of operations in the event of staff turnover and to provide inexperienced staff with written guidance, the ASD Department management document the desk audit procedures.	Management agrees with the recommendation and with one long-time employee leaving the organization, the Senior staff is developing these guidelines, and they are being tested by the newer employee.	✓		
1.2	To comply with the time standard set forth in The Order, the ASD recommends that staff set the compliance date at least 10 days prior to the time standard to ensure that the audit is completed and reported to the Court within 90 days.	Management agrees with this recommendation. Additionally, the Clerk recommends that the Civil Division Management and Senior Probate Clerk to work with the Director of Strategy and Data Integrity to come up with a means (such as docket codes) that would allow for reports to be generated to trigger notification of these types of events in advance of the 90-day period (and any other such triggers necessary) so that they can communicate this to the Information Technology Department for automation.	✓		
1.3	To improve internal controls and to identify potential training needs, the ASD recommends that management, at a minimum, select a sample of desk audits for review prior to submission to the Court.	Management agrees with this recommendation.			✓

Acknowledgement

Fieldwork was performed by: Elizabeth Hogan, Chief Internal Auditor

Management's response was provided by: Michelle Edwards, Civil Courts Manager

Management's response was approved by: Jeff Gordon, Chief of Court Operations

This report was reviewed and authorized by Douglas A. Chorvat, Jr., Clerk of Circuit Court and Comptroller.



Douglas A. Chorvat, Jr.

5/5/2025

Date

BACKGROUND INFORMATION

In accordance with Florida Statute (F.S.) 744, the Clerk of Circuit Court and Comptroller is mandated to perform audits of guardianship financial reports submitted to the Court. This responsibility has been delegated to the Civil Courts Department. Guardianship financial report audits are performed based upon Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, "Auditing Duties and Responsibilities of the Clerk of Circuit Court Regarding Guardianship Files" (herein referred to as "The Order"). The Order is the Court's interpretation of F.S. 744. In addition to The Order, staff members also follow the Best Practice on Guardianship Audits and Checklist issued by the Florida Court Clerks & Comptrollers Association. The Florida Court Clerks & Comptrollers Association Board of Directors approved the revised Best Practice on Guardianship Audits and Checklist on April 7, 2021.

Guardianship reports address guardianship of the person (the ward's physical well-being) and guardianship of the property (the ward's financial well-being). This follow-up audit focused on guardianship of the property.

At the onset of guardianship, The Order requires the guardian to file an initial verified inventory of the ward's assets with the Court. Thereafter, the guardian is required to file an annual guardianship report and an annual accounting with the Court.

When the annual guardianship reports are submitted to the Court, they are desk audited by Civil Courts Department Probate staff. Staff members utilize checklists based on The Order and Best Practices to document their audit results. These checklists are docketed in the case file. In instances when the Court disapproves the guardianship's report, the Court requires the guardian to file an amended report and/or submit additional supporting documents. Once submitted, these additional documents are desk audited by Civil Courts Department staff and the results are submitted to the Court. Not all verbal communications are docketed in the case file.

OBJECTIVE

The purpose of this follow-up audit of the Guardianship Case Review Audit was to assess the status of previous recommendations for improvement.

The purpose of the original audit was to provide management with some level of assurance that the Civil Courts Department's desk audits complied with the Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, Auditing Duties and Responsibilities of the Clerk of Circuit Court Regarding Guardianship Files (The Order) and the associated Florida Statutes.

SCOPE

To determine the current status of the previous recommendations, ASD interviewed management and staff and performed limited testing to assess the actual actions taken by management to implement operational improvements.

Opportunity for Improvement	Description	Page Reference
1.1	Document Standard Operating Procedures for the desk audit process	10
1.2	Perform desk audits and advise the Court of the results within 90 days	10-11
1.3	Implement and document supervisory review of completed desk audits	11

Discussion Points

Status of Recommendations

This section reports the status of actions taken by management regarding the Opportunities for Improvement reported in the Guardianship Case Review Audit Report dated July 22, 2022. The comments and recommendations contained herein are those of the original audit, followed by the current status of the Opportunity for Improvement.

Discussion Point 1: Desk Audit Compliance with The Order

To provide some level of assurance that guardianship annual financial reports were audited in compliance with The Order, which is the Court's interpretation of Florida Statute 744, the ASD reviewed 40 accounting desk audits and 15 initial inventory audits. Using documentation contained in the guardianship case file in Clericus, the ASD reviewed the accounting and inventory documentation submitted by the guardians and the Civil Court Department's completed desk audits. The ASD's review was generally limited to the most recent annual or final accounting and the initial inventory docketed in Clericus.

Although the documented results of the desk audits were materially accurate. The ASD identified three Opportunities for Improvement.

1.1. Opportunity for Improvement: Document Standard Operating Procedures for the desk audit process

Standard Operating Procedures have not been drafted regarding the completion of guardianship desk audits.

Recommendation: To ensure the continuity of operations in the event of staff turnover and to provide inexperienced staff with written guidance, the ASD recommends that the Civil Courts Department management document the desk audit procedures.

Management Response: Management agrees with the recommendation and with one long-time employee leaving the organization, the Senior staff is developing these guidelines, and they are be tested [sic] by the newer employee.

Status: Implemented

1.2. Opportunity for Improvement: Perform desk audits and advise the Court of the results within 90 days

The Order, in compliance with Florida Statute 744.368(3), requires that audits be provided to the Court within 90 days of the accounting filing date. Based on the Judicial Rules of Administration rule 2.514 the calculation of days for periods greater than seven days includes weekends and legal holidays except if the day following the filing of the accounting was a weekend or legal holiday.

Based on ASD's review of 40 accountings, 32 (80%) were not audited and reported to the Court within 90 calendar days. Currently, staff are manually setting the compliance date in Clericus at 90 calendar days.

Recommendation: To comply with the time standard set forth in The Order, the ASD recommends that staff set the compliance date at least 10 days prior to the time standard to ensure that the audit is completed and reported to the Court within 90 days.

Management Response: Management agrees with this recommendation. Additionally, the Clerk recommends that the Civil Division Management and Senior Probate Clerk to work with the Director of Strategy and Data Integrity to come up with a means (such as docket codes) that would allow for reports to be generated to trigger notification of these types of events in advance of the 90-day period (and any other such triggers necessary) so that they can communicate this to the Information Technology Department for automation.

Status: Implemented

1.3. Opportunity for Improvement: Implement and document supervisory review of completed desk audits

Based on staff discussions and the review of the desk audit documentation, management does not review the desk audits for accuracy or completeness. Desk audits were completed by staff and submitted directly to the Judge without review.

Recommendation: To improve internal controls and to identify potential training needs, the ASD recommends that management, at a minimum, select a sample of desk audits for review prior to submission to the Court.

Management Response: Management agrees with this recommendation.

Status: Not Implemented

Due to the lack of documentation regarding the performance of a second review, the ASD was unable to confirm that this process was implemented.

Management indicated that a second audit was performed when an individual audit was questioned, however they did not sign the worksheet documenting that a second individual had also reviewed the desk audit. Furthermore, management decided it would be best to double-review any previously denied audits and any current audits that the auditor finds questionable. Going forward, both signatures will appear on the same desk audit form.