



Clerk of the Circuit Court Board of County Commissioners

Marion County



Internal Audit Division

David R. Ellspermann

Clerk of the Circuit Court

Wallace K. Watford

Internal Auditor

Post Office Box 1030, Ocala, Florida 34478-1030

110 NW First Avenue, Ocala, Florida 34475

Telephone: (352) 620-3904

Facsimile: (352) 620-3300

Suncom: 667-3904

MEMORANDUM

TO: David R. Ellspermann, Clerk of the Circuit Court

FROM: Wallace K. Watford, Internal Auditor

DATE: September 3, 2003

RE: SALVATION ARMY AGREEMENT LIMITED REVIEW

Pursuant to your request, the Internal Audit Division has completed a limited review of The Salvation Army (the Army) Correctional Services Department pertaining to the Agreement between the Army and Marion County to provide probation services for misdemeanor defendants sentenced to probation by a county court.

Background

The Army has provided probation services to Marion County for many years. In 1992, Marion County, on behalf of the Chief Judge of the Fifth Judicial Circuit, entered into the Agreement with The Salvation Army to "continue such services" and to "implement certain probation supervision procedures." Florida Statutes, section 948.09, states that "Any person placed on misdemeanor probation by a county court must contribute not less than \$40 per month." The Army is presently authorized to collect \$45 per month from probationers.

The Army maintains the Fines and Restitutions (F&R) bank account. Collections from probationers for court-ordered fines (and court costs) and restitutions, whether partial or in full, are kept in the account until probation is terminated. Once a probationer satisfied his or her monetary obligations, the Army issues individual checks to the Clerk's Office to be applied against the appropriate probationer files. The Army remits restitution payments directly to the appropriate business or individual.

Activities Performed

The Internal Audit Division conducted a limited review of the Army's procedures to ensure proper accounting for fines and restitutions expenditures and the accuracy of the F&R bank account. As part of our review activities, we met with the management and accounting personnel of the Army's Correctional Services Department. We examined pertinent documentation, reviewed the activities of personnel involved with the account and identified the internal controls related to the bank account. We also reviewed the Army's last two annual internal audit reports relating to the F&R account and noted that no exceptions

were noted for one audit and only immaterial needed corrections were described in the second audit.

We addressed the relevant activities and procedures performed by Army personnel to ensure that the payments to Clerk's Office are authorized and not duplicated. We also reviewed the bank reconciliation procedures and other control functions provided by the accounting department to ensure the accuracy of the F&R account. In addition, we discussed with the Army's Director possible methods to increase interest earnings on the F&R bank account and to reduce operating expenses.

Conclusion

We concluded from our review that the Army has established and maintains satisfactory internal controls to ensure the accuracy of payments to Clerk's Office for probation related fines and court costs. We also noted some opportunities to increase interest revenue and reduce operating expenses which we have discussed with the Correctional Services Director. We intend to conduct another review within a year to determine whether such controls continue to exist. At that time, we will include a review of controls over the collection of money from probationers.

This review was performed by Wallace Watford, Internal Auditor, and Sachiko Leon, Staff Auditor. We would like to express our appreciation to the management and staff of the Salvation Army Correctional Services Department for their cooperation and assistance in the conduct of our review.

- c: Patrick G. Howard, County Administrator
- Janet Y. Tutt, Deputy County Administrator
- John W. Garri, Finance Director
- Linda G. Rankin, The Salvation Army Correctional Services Director