



# Angelina "Angel" Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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## MEMORANDUM

To: Charlie Bishop, Property Management Department Director

From: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller

Date: July 17, 2019

Subject: Records Management Division's Imaging (Copy) Center Follow-up Audit

The Internal Audit Department has completed a follow-up audit of the Records Management Division's Imaging (Copy) Center based on the Clerk of the Circuit Court's audit report issued as of February 28, 2015. This follow-up audit consisted of reviewing and testing the management action plans included in the original audit report to ensure that corrective actions have been implemented. The scope of the follow-up audit included the six-month period September 1, 2018, through February 28, 2019.

The Imaging Center is part of the Records Management Division within Manatee County's Property Management Department. The Imaging Center is staffed by one full-time production employee, who performs in-house copying and printing services for County departments, as well as other local governmental entities. The Imaging Center produced just over 600,000 prints during the six-months ended February 28, 2019.

We are pleased with the corrective actions taken by management since the original audit to further automate the work order and billing processes. Management has reinstated the error log to track any copies made in error, and to monitor the Imaging Center's performance. Old, outstanding accounts receivables have been properly written off via Board approval. Additionally, management continues to market the Imaging Center's products and services to other County departments and local governmental entities.

During the exit meeting on May 28, 2019, your management staff, together with the Internal Audit Department, discussed areas where further improvements are needed and agreed on the following corrective action plans:

### BILLING

Since the original audit, the Imaging Center has changed its entire work process. Customers can now submit work requests online through the Cherwell system, and work orders are received and reviewed by Property Management's Fiscal Division (Fiscal) prior to being routed to the Imaging Center to ensure proper cost centers are included for billing. The Imaging Center Technician is responsible for entering appropriate OneSolution account keys into the copy machine for all copy/print

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production, and upon completion of the work, enters the costs into the Cherwell system. At the beginning of each month, the Technician prints a report from the copy machine which details the meter counts/prints, by account key, for the previous month. This report is used to create a monthly activity report for Fiscal, who is responsible for closing the completed work orders in Cherwell and posting the charges to the proper cost centers, or invoicing outside agencies.

A statistical sample of 102 out of 417 Imaging Center work orders was selected for testing to ensure they were properly billed. We found one work order (\$1,776) that was never billed to the customer. The work was requested on August 31, 2018, and completed on September 7, 2018. The work order should have been included in the September 2018 billing; however, it did not get downloaded in the Cherwell system for billing until October 2018. As this was beyond the fiscal year-end date, Fiscal management did not invoice the customer.

It was also noted that the copy machine meter count reports are not being reconciled to the monthly billings to ensure that the number of copies billed to each department/account key is accurate. A comparison of these reports for the audit period found discrepancies which included instances where account keys entered into the copier did not agree to the account keys billed by Fiscal; and the number of pages printed did not correspond to the amounts billed.

#### **Management Action Plan**

*Records Division management will meet with Fiscal management each month to reconcile the copy machine meter report to the billing report prior to posting the billings in OneSolution. Fiscal management will also ensure that all completed Imaging Center work orders are billed monthly, and for the proper fiscal year. The anticipated implementation date is September 30, 2019.*

#### **PRICING & FINANCIAL ANALYSIS**

The Imaging Center revenue does not appear to be covering its operating costs. For the six-months ended February 28, 2019, expenses were approximately \$38,000 more than revenues. The current pricing structure for Imaging Center services is based solely on the copier lease costs, which increased when a new copier with more functionality was leased in 2018. The Imaging Center is not including the cost of supplies or labor in the current pricing structure. Additionally, there have not been any regular reviews performed to compare revenues to expenses for the Imaging Center.

#### **Management Action Plan**

*The Imaging Center management accepts the loss as a cost of doing business. However, an analysis of revenues to expenditures will be performed on an annual basis to help determine whether any pricing adjustments are needed and whether the Imaging Center is financially sound. The anticipated implementation date is December 31, 2019.*

## **POLICIES & PROCEDURES**

The Imaging Center Policy and Procedure Manual is still in draft form. While the draft manual appears to address all of the areas identified in the original audit, updates are necessary to align it with current operations. The Imaging Center has resumed the printing of business cards, which is not included in the procedures. In addition, they no longer prepare the billings for customers or record the revenues; therefore, these sections are not necessary. It was also noted that the pricing information included for Imaging Center services is not a comprehensive list of all its services and charges, as they do not specify a price for printing envelopes, cardstock, and the quantity for when folding charges apply.

### **Management Action Plan**

*Management will finalize the Imaging Center Policy and Procedure Manual, taking into consideration the recommendations from the audit. The anticipated implementation date is September 30, 2019.*

We would like to thank you and your staff for the attention given to the audit findings and the assistance given to the Internal Audit staff. Another follow-up audit will be scheduled after implementation of the management action plans.

AMC/LJS/MEG

cc: Board of County Commissioners  
Cheri Coryea, County Administrator  
John Osborne, Deputy County Administrator  
Karen Stewart, Acting Deputy County Administrator  
Mitchell Palmer, County Attorney  
Dan Wolfson, Finance Director, Clerk of the Circuit Court  
Debbie Scaccianoce, Manager, Records Management Division