



Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

1115 Manatee Avenue West, Bradenton, Florida 34205 - Phone (941) 749-1800 – Fax (941) 741-4082
P.O. Box 25400, Bradenton, Florida 34206 - www.manateeclerk.com

MEMORANDUM

To: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller

From: Lori Stephens, Inspector General *Lori Stephens*

Date: August 21, 2020

Subject: ACL Employee/Vendor Address Match Audit - CCC Finance

The Division of Inspector General has completed an audit to identify employees of the Clerk of the Circuit Court’s (Clerk’s Office) Finance Department and Manatee County Government (County) vendors with the same addresses. Any matches identified could potentially be a fraudulent vendor or a vendor where a conflict of interest exists.

The audit used Computer Assisted Audit Techniques (CAATs) to test for matching addresses using ACL audit software. This audit was performed in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Clerk’s Office Finance Department is responsible for processing and reporting on financial transactions for the County. These transactions are processed through ONESolution and include, but are not limited to, payments to vendors, payroll transactions, and general ledger adjusting entries. The Clerk’s Office Human Resources Department also utilizes ONESolution to store information related to its employees. The data from ONESolution can be downloaded in electronic format for CAAT analysis. The Division of Inspector General utilizes the proprietary software ACL for CAAT testing. ACL is a data extraction and analysis tool that can query 100% of the data, whereas traditional audits typically test only a sample of the data. The ONESolution data files are loaded into ACL and the program generates a list of Clerk’s Office employees who have the same address as a County vendor. Similar tests are also performed on County employees and vendors.

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Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

Objective

The objective of this audit was to determine whether employees within certain divisions of the Clerk's Office Finance Department and County vendors share a common address and, if so, whether there is evidence of a fraudulent vendor or a conflict of interest. Employee addresses included, but were not limited to, those individuals working within the following divisions of the Finance Department:

- Accounting
- Accounts Payable
- Cashiering
- Finance Administration
- Fixed Assets
- Grants
- Payroll
- Treasury Management

Scope

The scope of the audit included any County vendor paid, and any individual employed within the relevant Clerk's Office Finance Department divisions, during the period October 1, 2012, through February 29, 2020.

Methodology

The methodology used consisted of obtaining records of all County vendors paid, and all individuals employed with the Clerk's Office during the audit period. ACL software was used to compare the records and identify Finance Department employees with address matches for further investigation and review.

Results

Using ACL, we analyzed the records of 7,183 vendors and 915 employees in order to identify possible circumstances in which the address of a Clerk's Office employee matched the address of a County vendor. The test included the review of all Clerk's Office employees for the audit period, as it was difficult to identify employees who may have worked within the Finance Department during the audit period, but have since transferred to another department, or are no longer employed with the Clerk's Office. Our testing identified three instances in which an employee's address was the same as a vendor's address. These instances were further examined by reviewing transaction documentation, vendor information, and real property records to determine whether a fraudulent vendor or conflict of interest existed. None of the instances noted involved employees within the Finance Department, and all were deemed appropriate.

Based upon our analysis, we found no evidence that any employee within the relevant divisions of the Clerk's Office Finance Department shared a common address with a County vendor which would support the existence of a fraudulent vendor or a conflict of interest.

ACL Employee/Vendor Address Match Audit - CCC Finance

As of February 29, 2020

Issued August 21, 2020

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cc: Kathy Cremaschi, Finance Director, Clerk of the Circuit Court
Board of County Commissioners
Cheri Coryea, County Administrator
John Osborne, Deputy County Administrator
Karen Stewart, Deputy County Administrator
Mitchell Palmer, County Attorney
Jan Brewer, Financial Management Department