



Council Auditor's Office

**Tax Collector's Office – Collections and Remittance of City Funds Audit
Follow-up Report**

Report #754A

Released on: November 22, 2017

OFFICE OF THE COUNCIL AUDITOR
 Suite 200, St. James Building



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Honorable Members of the City Council
 City of Jacksonville

The purpose of this report is to document our follow-up review of past report #754, Tax Collector’s Office – Collections and Remittance of City Funds, to determine whether or not corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

We sent a follow-up letter to the Tax Collector’s Office inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit report, the auditee’s responses to the recommendations, and the auditee’s responses to our follow-up letter. We then performed limited testing on a judgmentally selected sample of findings to verify that our recommendations have been implemented as stated in the auditee’s responses. The following is a brief summary of the results of our follow-up inquiry and testing.

Based on the responses received from the auditee and our follow-up testing of a judgmentally selected sample, it appears that the Tax Collector’s Office has complied with our audit recommendations with the following exceptions outlined below. The following table details the original number of issues noted and how many have been resolved as of this follow-up.

Types of Issue	Original Number of Issues	Issues Cleared	Remaining Issues
Internal Control Weaknesses	1	0	1
Findings	2	1	1
Opportunities for Improvement	1	1	0
Total	4	2	2

Internal Control Weakness 2-1 *System Access Rights*

Internal Control Weakness 2-1 found several issues with system access rights and recommended the Tax Collector’s Office create a policy addressing termination of access rights for users who are no longer employed by the Tax Collector, perform periodic reviews of access rights, and review the need for administrator access for the Chief Financial Officer (CFO). Our follow up testing found that the Tax Collector’s Office has established policies for both the termination of access rights and

an annual review of system access rights. However, they were unable to provide documentation confirming a review had been performed.

Additionally, the CFO still had administrator level access at the time of our review. However, based on discussions with the Tax Collector it may not be realistic to remove this access of the CFO, based on the system set up. Therefore, we recommend that a policy be added to require periodic reviews by the Compliance Officer of the actions taken by any administrator in the system.

Tax Collector Response to the Follow-Up of Internal Control Weakness 2-1

Agree Disagree Partially Agree

Our policy regarding an annual review of system access rights is being updated to include a specific time period for the review to occur annually. Additionally, administrator access for the Chief Financial Officer (CFO) has been removed.

Finding 2-2 *Employee Checks*

Finding 2-2 found instances of non-compliance with the Tax Collector’s policy on employee check cashing and recommended enforcement of the policy and that the Tax Collector’s Office create a log of all personal checks cashed by employees to include the name of the employee, employee ID number, check number, check amount, and full signature by the branch manager indicating approval of the check to be cashed. Our follow up testing indicated that a log has not been created. We reviewed a sample of eleven employee checks and found several instances of non-compliance with the employee check cashing policy, specifically four checks were made payable to “Tax Collector” instead of “Cash” and three employee checks were not signed by a manager. The Tax Collector should follow its policy or consider pursuing the elimination of this service.

Tax Collector Response to the Follow-Up of Finding 2-2

Agree Disagree Partially Agree

Effective November 1, 2017, the Duval County Tax Collector is eliminating employee check cashing.

We would like to thank the Tax Collector’s Office for their cooperation in conducting this follow-up review.

Sincerely,

Kyle S. Billy

Kyle S. Billy, CPA
Council Auditor