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October 17, 2025

The Honorable Jason D. English, Esq.
Santa Rosa County Clerk of Courts & Comptroller
4025 Avalon Blvd.
Milton, Florida 32583

RE: Audit Report
Santa Rosa County Clerk of Court's Cash Handling Procedures

Clerk English,

Attached is the final audit report on the Santa Rosa County Clerk of Court's Cash Handling Procedures, conducted at your request.

The audit evaluated the adequacy and effectiveness of internal controls related to the Clerk's cash handling procedures.

Management's response to the audit observations and recommendations are included in the report. We appreciate their cooperation and support throughout the audit.

A follow-up review will be scheduled within six months to assess the implementation status of the recommendations, and we will report the progress to you accordingly.

Please don't hesitate to contact me if you have any questions or would like to discuss the report in more detail.

Respectfully Submitted,

Teresa Garber, Internal Auditor
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CC: Julie Richardson, Director, Comptroller Services
Laura Campbell, Director, Court Services
Bonita Watson, Supervisor, Probation



Santa Rosa County Clerk of Circuit Court & Comptroller
Internal Audit Department

Report on
Santa Rosa County Clerk of Court's Cash Handling Procedures
Audit #BCC 25-10

Issued October 17, 2025

Teresa Garber, Internal Auditor



Santa Rosa County Clerk of Circuit Court & Comptroller
Internal Audit Department
Report of
Santa Rosa County Clerk of Court's Cash Handling Procedures
Audit #BCC 25-10

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Santa Rosa County Clerk of Circuit Court & Comptroller
Internal Audit Department
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Background

Cash transactions are inherently high-risk due to their liquid nature and susceptibility to theft, loss, or misappropriation. Similarly, cash equivalents, such as checks and money orders, pose significant risk because they can be easily converted to cash, making them attractive targets for fraud and theft. As such, strong internal controls are essential to ensure that all funds are properly accounted for, securely stored, and deposited in a timely manner.

The Santa Rosa County Clerk of the Circuit Court and Comptroller (Clerk) was established by the State Constitution as a county officer elected by the citizens of Santa Rosa County. The Clerk serves as the ex-officio clerk of the Santa Rosa County Board of County Commissioners, as well as auditor, recorder, and custodian of all county funds.¹

The Clerk currently processes over \$4 million annually in cash, checks, and money orders in the course of fulfilling official duties. Approximately one-third of these receipts are collected directly by the Clerk's office, while the remaining two-thirds are received by the County and subsequently transferred to the Clerk's office for entry into the County's financial records prior to deposit.

Objective and Scope

An audit of Santa Rosa County Clerk of Court's Cash Handling Procedures was initiated by Jason English, Santa Rosa County Clerk of the Circuit Court and Comptroller. The primary goal was to evaluate the design and operating effectiveness of internal controls over cash handling activities, in alignment with Section 218.33(3), Florida Statutes and the *COSO Internal Control-Integrated Framework* (Committee of Sponsoring Organizations of the Treadway Commission), with a focus on ensuring assets are safeguarded and operational objectives are achieved. Cash handling activities include receipt, transport, recording, safeguarding, and deposits of cash and cash equivalents (e.g., checks and money orders) received by the Santa Rosa County Clerk of Court.

To support the primary goal, the objectives of this audit were to:

- Evaluate whether cash handling practices comply with internal policies and whether internal controls are adequately designed and implemented to prevent and detect errors or fraud, including the use of compensating controls where necessary.
- Assess accountability measures in place for safeguarding assets and achieving financial control objectives.
- Identify opportunities to improve the efficiency, transparency, and accountability of cash handling processes, in alignment with COSO internal control principles.

To achieve these objectives, the following audit methodology was employed.

Methodology

The audit focused on locations and departments that routinely handle or transport cash and checks. Interviews were conducted with key personnel and policies and procedures were evaluated. Internal controls designed to prevent and

detect theft, fraud, or mismanagement were identified and evaluated. Processes were observed, and relevant documentation and transaction records were reviewed. Our review included an assessment of preventive controls

¹ Article VIII, Section 1(d) of the State Constitution

such as established policies and procedures, segregation of duties, and access restrictions. In addition, we evaluated detective controls, including reconciliation processes and audit trails. Finally, we assessed the adequacy of physical security measures in place to safeguard cash and cash equivalents (e.g., checks and money orders).

This comprehensive approach ensured a well-rounded assessment of both preventive and detective controls across all relevant departments.

Acknowledgments

We would like to express our appreciation to the leadership and staff of the Santa Rosa County Clerk of the Circuit Court and Comptroller for their cooperation and support throughout this audit. Their openness, responsiveness, and collaborative approach were instrumental in facilitating a thorough and constructive review. We especially acknowledge their proactive engagement and commitment to identifying and addressing opportunities for strengthening internal controls and enhancing operational consistency.

Organizational Strengths and Positive Practices

During the course of the audit, several strengths were evident across the Clerk's Office. Staff demonstrated a strong commitment to public service, and many departments exhibited a high level of professionalism, responsiveness, and engagement.

Specifically, we observed:

- A clear willingness among staff to engage in open dialogue and continuous improvement,
- A culture that fosters collaboration, and
- The implementation of sound practices in several departments that align with internal control principles.

These strengths provide a solid foundation for building upon existing practices and further aligning operations with industry best practices.

Observations

Inadequate Control Environment Over Cash Handling and Financial Asset Safeguarding

Florida Statutes requires local governments to establish internal controls that prevent and detect fraud, waste, and abuse, ensure compliance with best practices, promote efficiency, safeguard assets, and support reliable financial reporting.² These objectives closely align with the *GAO Standards for Internal Control in the Federal Government* (GAO Green Book), which emphasizes management's responsibility to design and implement risk-based control activities integrated into daily operations.³

Key elements for effective internal control include:

- Establishing physical safeguards for vulnerable assets⁴,
- Maintaining accountability for the custody and use of those assets⁵,
- Segregating duties to ensure no single individuals controls all key aspects of a transaction or event⁶, and

² Section 218.33(3), Florida Statutes

³ Principal 10, ¶10.03, GAO Standards for Internal Control in the Federal Government

⁴ Principal 10, ¶10.10, GAO Standards for Internal Control in the Federal Government

⁵ Principal 10, ¶10.11, GAO Standards for Internal Control in the Federal Government

⁶ Principal 10, ¶10.13, GAO Standards for Internal Control in the Federal Government

- Documenting control activities in written policies that clearly assign responsibilities and expectations.⁷

Policies must be reviewed periodically to ensure continued relevance and effectiveness⁸.

Similarly, the *COSO Internal Control–Integrated Framework* highlights the need for organizations to design and implement control activities that are integrated into daily operations, consistently applied across the organization, and designed to prevent circumvention of established controls. These activities should include both preventive and detective controls to safeguard assets and ensure accountability, supported by policies and procedures that guide performance and clarify expectations.⁹

Together, these standards promote a unified approach to internal control that enhances accountability, transparency, and the achievement of organizational objectives.

During the audit, we noted that several departments within the Clerk's Office had not yet developed or maintained current, comprehensive written policies and procedures in key operational areas such as cash handling, reconciliations, and segregation of duties. In many cases, staff relied on informal or verbal guidance, which has contributed to variations in practice, incomplete and undocumented reconciliations and supervisory reviews, and limited controls over the safeguarding of financial assets and controlled forms. Additionally, the absence of standardized oversight mechanisms has made it more difficult to ensure consistency and accountability across departments.

These conditions suggest that the current control environment may not fully support consistent and effective execution of critical financial processes. As a result, the Clerk's Office may encounter challenges in tracing and resolving financial discrepancies, ensuring the accuracy and integrity of financial records, safeguarding assets and controlled forms, and timely identification and resolution of errors, inefficiencies, or potential irregularities.

If not addressed, these issues may gradually impact the reliability, transparency, and overall effectiveness of financial operations, and increase the risk of:

- Errors in financial reporting and transaction processing,
- Misappropriation or loss of financial assets and controlled forms,
- Undetected fraud or irregularities, and
- Noncompliance with internal control standards and best practices.

Proactively addressing these areas presents an opportunity to strengthen internal controls, improve operational consistency, and align departmental practices with best practices and established frameworks such as the COSO Internal Control–Integrated Framework and the GAO Green Book.

Recommendations

To address the deficiencies identified in the control environment and to align practices with Section 218.33(3), Florida Statutes, the COSO Internal Control–Integrated Framework and the GAO Standards for Internal Control in the Federal Government, the following actions are recommended:

⁷ Principal 12, ¶12.02 & ¶12.03, GAO Standards for Internal Control in the Federal Government

⁸ Principal 10, ¶10.12, GAO Standards for Internal Control in the Federal Government

⁹ Principal 10, COSO International Control Integrated Framework

1. Standardize Policies and Procedures Across All Divisions

Clerk leadership should consider developing and formally documenting standardized policies that apply consistently across all divisions. These policies should be grounded in established internal control principles, support the Clerk's operational objectives, and clearly define expectations for control activities.

In alignment with these policies, division directors and department managers should establish uniform written procedures for key financial and operational processes. To promote consistency and accountability across departments, these procedures should:

- Align with the overarching policies,
- Utilize standardized templates and checklists to support consistent execution,
- Clearly define roles and responsibilities,
- Integrate control activities into routine operations, and
- Be reviewed regularly for continued relevance and effectiveness.

All policies and procedures should be communicated clearly to all relevant personnel to ensure understanding and compliance.

2. Establish Clear Accountability in Cash Handling Procedures

To support strong internal controls and promote consistency, management may consider enhancing cash handling procedures to further reinforce individual accountability. This may involve clearly defining custodial responsibilities and ensuring that access to funds is appropriately restricted.

Processes for transferring custody of funds should be documented in a manner that establishes a clear chain of accountability. Incorporating acknowledgments from involved parties can help strengthen transparency and traceability.

Periodic supervisory reviews of custodial funds, conducted in a manner that promotes openness and objectivity, can further support accountability and facilitate timely resolution of any discrepancies.

3. Enhance Physical Security of Financial Assets and Controlled Forms

Management is encouraged to periodically evaluate physical security measures related to the storage and handling of cash, checks, and controlled forms across all Clerk locations. This includes assessing whether current safeguards effectively limit access to authorized personnel and protect against unauthorized entry or misuse.

Given the inherent risks associated with physical access tools, such as keys and combinations, management may wish to explore alternative or enhanced access control methods that support timely deactivation and provide traceability when needed.

Security protocols should be reviewed and updated as necessary to reflect changes in personnel or operational needs. Ensuring that financial assets and sensitive materials remain secured until properly processed or transported is essential to maintaining control and reducing exposure to risk.

Additionally, procedures for managing controlled forms—such as manual receipt books—should incorporate appropriate access restrictions and oversight to promote accountability, prevent unauthorized use, and ensure timely and accurate updates of the system of record.

4. Standardize and Document Creation and Reconciliation Procedures

Establishing a standardized approach to documenting the creation and reconciliation of cash funds can help promote consistency, accountability, and transparency across departments. Clearly defined procedures—supported by appropriate documentation and oversight—can ensure that reconciliation activities are performed reliably and that key responsibilities are well understood.

While the specific methods may vary by department, reconciliation practices should incorporate elements that support traceability, supervisory review, and timely resolution of discrepancies. Periodic evaluations of these practices can help ensure continued compliance with internal control expectations and alignment with operational needs.

5. Strengthen Segregation of Duties in Receipt Processing

To support effective internal controls over mailed-in receipts, management should consider implementing procedures that encourage appropriate segregation of duties. Where feasible, responsibilities related to receiving, recording, and reconciling payments should be distributed among different individuals to reduce the risk of errors or misappropriation.

In areas where staffing constraints limit full segregation, management should consider implementing alternative controls—such as supervisory oversight, periodic independent reviews, or other monitoring mechanisms—to help maintain accountability and detect potential issues in a timely manner.

6. Provide Targeted Training on Internal Control Procedures

To support consistent application of internal control procedures, the Clerk's Office would benefit from developing and delivering targeted training programs. These programs should:

- Be tailored to specific roles and responsibilities,
- Address key control areas such as cash handling, reconciliations, and segregation of duties,
- Include guidance on using standardized templates and documentation tools,
- Be refreshed periodically, and
- Be incorporated into onboarding for new employees.

Such training can help reduce reliance on informal instructions and promote a culture of accountability and compliance.

Management Response

Management's Response to the audit observations and recommendations are provided in the attached document.

Conclusion

The Clerk's Office has demonstrated a proactive approach to strengthening internal controls and a clear interest in aligning operations with Florida Statutes, best practices and recognized standards such as the COSO Framework and GAO Green Book.

The observations and recommendations in this report are intended to support ongoing efforts to enhance transparency, accountability, and operational efficiency. With continued collaboration and leadership engagement, the Clerk's Office is well-positioned to further strengthen its internal control environment and maintain public trust.

End of Report



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October 15, 2025

Teresa Garber
Internal Auditor
Santa Rosa County Internal Audit Department

RE: Audit of Santa Rosa County Clerk of Circuit Court's Cash Handling Procedures

Dear Ms. Garber,

We appreciate the opportunity to respond to the report for the Santa Rosa County Clerk of Circuit Court's Cash Handling Procedures of Recording, Board Support, Southend, Court Services, and Probation dated September 24, 2025.

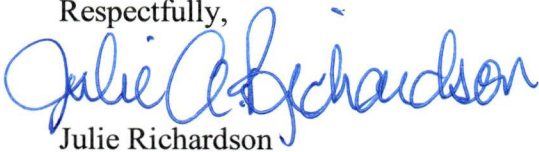
To strengthen safeguards for financial assets across all divisions, the following measures have been or will be implemented in response to the findings.

- Written policy and procedures in Southend and Recording have been established.
- We are actively working on written policy and procedures in BOCC and Clerk Finance departments. Changes are being finalized.
- We improved controls by documenting the transfer of custody of financial assets both in logbooks and on camera in Administration and Court Services.
- We are in the process of introducing logbooks to track financial asset custody transfers at other locations.
- The Recording Department spare keys to safe/drawers are being held securely.
- The Recording Department manual receipt books are used restrictively, and we have implemented controlled access to them.
- The Southend Annex physical keys are held in a secured location.
- The Southend Annex's float bag is secured.
- All cash drawers at the Southend Annex have been replaced with locked boxes, each secured with a unique key.
- The Probation Department has implemented locking bags for the operational float.

- The Probation Department is now delivering the money directly to the Finance Department each day eliminating the need for courier pickup.
- The Probation Department is currently in the process of acquiring and installing a new safe. To manage this risk in the interim, the Probation Supervisor is responsible for collecting all physical keys from employees upon their separation from employment.

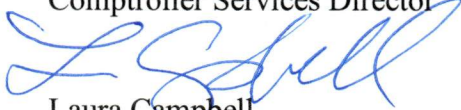
Please feel free to contact us should you need any additional information.

Respectfully,



Julie Richardson

Comptroller Services Director



Laura Campbell

Court Services Director



Bonita Watson

Probation Supervisor