



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA


Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

Division of Inspector General

510 Bay Avenue
Clearwater, FL 33756
Telephone: (727) 464-8371
Fax: (727) 464-8386
Fraud Hotline: (727) 45FRAUD (453-7283)
Clerk's website: www.mypinellasclerk.org

Report No. 2017-29

TO: Teresa Del Rio, Director
Court and Operational Services Division

FROM: Hector Collazo Jr., Inspector General/Chief Audit Executive 
Division of Inspector General

DIST: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Claretha Harris, Chief Deputy Director, Finance Division
Jeffrey Gates, Executive Director, Court and Operational Services Division
Nancy Dickman, Manager, Recording Services/Official Records

SUBJECT: Unannounced Audit of Recording Services/Official Records Change Fund
Unannounced Audit of the Clerk's Notary Journals

DATE: December 19, 2017

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Recording Services/Official Records Change Fund and Clerk's Notary Journals on October 27, 2017.

The objectives of our audit were to:

1. Reconcile the Change Fund and ascertain that the appropriate internal controls, safeguards, and policies and procedures are being followed, safeguarding the county funds under your departmental control.
2. Sample Notary Journals to ascertain that notaries are logging notarial acts, completing all Notary Journal fields, and not improperly using Deputy Clerk stamps in lieu of Notary stamps in accordance with established policies and procedures.



An Accredited Office of
Inspectors General

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and accordingly, included such tests of records and other auditing procedures as we considered necessary in the circumstances.

The Recording Services/Official Records Change Fund reconciled to the authorized amount. The department's internal controls and safeguarding of this fund are adequate, and the policies and procedures are being followed.

The audit did note non-compliance issues in regard to existing documented policies and procedures for notaries.

1. Notary Journal Entries Are Incomplete.

We reviewed the Notary Journal records, on a sample basis, to determine if all required fields were completed and found several were incomplete. There are twelve notaries within the Recording Services and Official Records Division. The sample selection for the notary testing consisted of a review of journal entries for four notaries from this office. As this office location performs a high volume of notary services, the journal entry samples selected for testing were based on entries dated June 2017 to current.

The sample selection between these four notaries consisted of 163 journal entries for review. Of these sampled entries, 134 were completed according to policy and 29 were incomplete. The following fields were noted incomplete:

- There were fifteen instances of the Signer's representative capacity field not being checked.
- There were two instances of the Signer's Address not being provided.
- There was one instance of the Signer's Printed Name not being provided.
- There were three instances of the Identification Expiration Date field being left blank.
- There were two instances of the Date and/or Time field being left blank.
- There were eight instances of the Type of Notarial Act field not being checked.
- There was one instance of the Title or Type of Document field being left blank.

The Clerk's Notary Journal and Reference Guide states, "As a Notary Public employed by the Clerk of the Circuit Court, you are required to complete a journal entry each time you perform a Notary Act."

This finding has been noted frequently in the Court and Operational Services Division notary testing. Additional training was provided to the notaries within the Court and Operational Services Division in August 2016. However, we continue to find incomplete journal entries in our auditing of these records. As this is a recurring issue, we are making additional recommendations at this time.

We recommend Management:

- A. Instruct notaries to complete all sections/fields of the Notary Journal record for all notarial acts provided.
- B. Periodically review staff Notary Journals for completeness and provide instruction when deficiencies are found.
- C. Create a formalized notary policy and procedures that clearly define the Notary Journal completion requirements and provide visual examples of those expectations (i.e., a complete Notary Journal entry as an example for reference).

Management Response:

- A. Management concurs. The Recording Services notaries have been instructed in the past and continuously when deficiencies are observed.
- B. Management concurs. Journals are examined every month. We have not been noting the review in the notary log. We will note on the page with the deficiency that it has been addressed.
- C. Management concurs. The notaries have previously been given a journal book with the highlighted portions that need to be completed. The notaries have attended a formal notary training on August 29 and 31, 2016.

2. A Driver's License Expiration Date Was Not Appropriately Recorded.

During the review of Notary Journal records, we identified one journal entry record noted an Arizona driver's license without an expiration date was accepted as identification. The journal entry, dated July 25, 2017, noted the expiration date for the license as "NA" indicating the identification item does not have an expiration date.

The Arizona Department of Transportation website provides information and an example of an Arizona driver's license, which shows the expiration date field is located on the front of the license. All Arizona driver's licenses and identification cards have an expiration date.

The Clerk's Notary Journal and Reference Guide states, "As a Notary Public employed by the Clerk of the Circuit Court, you are required to complete a journal entry each time you perform a Notary Act."

Notaries that are not familiar with or have insufficient resources to verify various forms of identification may inadvertently accept false identification. Violating Chapter 117 of the Florida Statutes, which governs a notary public, could result in a suspension of the notary public by the Governor and could expose the employer to liability for damages resulting from the notary's misconduct.

We recommend Management provide instruction and reference materials for notaries on driver's licenses and identification cards issued across the United States.

Management Response:

Management concurs. Recording Services uses the I.D. Checking Guide, which lists the identification cards and drivers licenses for all states. Our current book is valid through February 28, 2018. We order this book yearly for Recording Services and all the branch locations. The notaries have been refreshed on our policies and procedures concerning notary duties. The notary, who did not note the expiration date, did review the guide and understands the importance of including all information.

3. Expired Documentation Was Accepted By A Notary For Identification.

During the review of Notary Journal records, we noted that an expired passport was presented to the notary as identification to perform a notary action. The journal entry was dated July 14, 2017, and notes the customer provided a United Kingdom (UK) passport with an expiration date of March 3, 2017. The passport had been expired for greater than four months at the time it was presented and accepted.

Per the GOV.UK website on November 1, 2017, the first adult passport is valid for 10 years. VisaCentral provides passport services for UK citizens by submitting the documentation to the UK Identity & Passport Services (IPS). UK passport FAQs retrieved from the VisaCentral website (visacentral.co.uk) indicates that any passport issued at age 16 or greater is valid for ten years.

Florida Statute 117.05(5) states:

"A notary public may not notarize a signature on a document unless he or she personally knows, or has satisfactory evidence, that the person whose signature is to be notarized is the individual who is described in and who is executing the document."

Further, Section (5)(b) states:

"For the purposes of this subsection, 'satisfactory evidence' means the absence of any information, evidence, or other circumstances which would lead a reasonable person to believe that the person whose signature to be notarized is not the person he or she claims to be and any one of the following: ...

2. Reasonable reliance on the presentation to the notary public of any one of the following forms of identification, if the document is current or has been issued within the past 5 years and bears a serial or other identifying number:

- a. *A Florida identification card or driver license issued by the public agency authorized to issue driver licenses;*
- b. *A passport issued by the Department of State of the United States;*
- c. *A passport issued by a foreign government if the document is stamped by the United States Bureau of Citizenship and Immigration Services;*
- d. *A driver license or an identification card issued by a public agency authorized to issue driver licenses in a state other than Florida, a territory of the United States, or Canada or Mexico;*
- e. *An identification card issued by any branch of the armed forces of the United States;..."*

Florida Statutes require that presented identification that is acceptable for notarial acts be current or issued within the past five years. As the passport expired March 3, 2017, it was an expired document and can be assumed to have been issued more than five years ago as UK passports are valid for ten years. Therefore, the document should not have been accepted as satisfactory evidence of identity.

Violating Chapter 117 of the Florida Statutes, which governs notaries public, could result in a suspension of the notary public by the Governor and could expose the employer to liability for damages resulting from the notary's misconduct.

We recommend Management provide instruction and reference materials for notaries on the identification requirements for the State of Florida.

Management Response:

Management concurs. We note Florida Statute 117.05(5) says current or within the past five years. Please note that the US Department of State accepts expired passports up to ten years after expiration as valid citizenship and identification. Not excusing the notary; however, they have been conditioned to the US Department of State. Management has explained to the notary staff the difference in Florida Statute and the Federal guidelines they follow as passport agents.

4. No Justification Provided For Notary Fee Waiver.

There were three instances where no notary fee (indicated in the Fee Charge field as \$0) was charged for the notarial act on the journal entry. The documentation does not provide any information to explain why the fee waiver was given, such as the notary fee waiver being given for Pinellas County employees.

Incomplete records of documented fee waivers increases the risk of abuse or the granting of fee waivers when not appropriate. It is good business practice to document any deviation from the normal business practice. For fee waivers or reductions, it is good business practice to document the justification of any instances where waivers or

fee reductions are granted to ensure consistent application and to ensure employees are not granting fee waivers or reductions when not appropriate.

We recommend Management require journal entries document the justification for any instances of fee waivers or reductions.

Management Response:

Management concurs. The notaries have been reminded of documenting fee waivers.

We appreciate your staff's cooperation during this audit.