

Hernando County Clerk of Circuit Court
Audit Services Department
MANAGEMENT LETTER

To: David Hamilton, County Administrator
George Zoettlein, Office of Management and Budget Director
Mike McHugh, Office of Business Development Director
Karen Nicolai, Clerk of Circuit Court
Jana Murphy, Court Service Director/In-House Legal Counsel
Amy Gillis, Finance Director

From: Peggy Caskey, Audit Services Director 

Subject: Petty Cash, Change Drawer, and Park Gate Cash Collections Audit

Date: July 15, 2010

The Audit Services Department's Audit Projects Schedule included an audit of the Board of County Commissioner's and Clerk of Circuit Court's petty cash funds, change drawers, and park gate cash collections. This project is now complete.

Although the Audit Team exercised due professional care in the performance of this project, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The courtesies and cooperation extended by the cash custodians and their management team during this audit was sincerely appreciated.

If you have any questions, concerns, or need additional information in regard to the above, please do not hesitate to contact me at (352) 540-6235 or just stop by my office in Room 201.

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Petty Cash, Change Drawer, and Park Gate Cash Collections Audit Report

Petty Cash Funds

The Audit Team selectively chose a sample of two (2) petty cash funds for testing.

Hernando County Boatlift – quantity 1

Finance – quantity 1

In July 2009 the Audit Team reported that, although the dollar amount was *not significant*, these custodians did not report cash disbursements in a timely manner which was inconsistent with the Accounts Payable Manual, Section IV, which states that, "Balancing of petty cash funds should be performed on a regular basis depending on how often it is used. All petty cash reimbursements should be submitted frequently (monthly/bi-monthly)." Based upon testing, it appears that corrective action alleviated this concern.

In July 2009 the Audit Team also recommended that the Finance petty cash fund be reduced from \$75 to a more appropriate amount. The fund amount has been reduced \$25.

Change Drawers

The Audit Team selectively chose for testing a sample of all of the cash drawers in two departments.

Building and Development – quantity 4

Traffic – quantity 7

In mid June 2010, the Audit Team performed unannounced inspections of these cash drawers which included counting drawer contents, reconciling to collection (batch/transaction) reports, and evaluating cash controls. No material concerns were identified during testing.

Park Gates

The Audit Team selectively chose the entire population of two (2) park gate cash collection sites for testing.

Pine Island - quantity 1

Rogers Park – quantity 1

In June 2010, the Audit Team interviewed key personnel regarding the cash control environment (for the collection of parking fees) and confirmed through supporting documentation that the continuous monitoring controls were performed as designed. No material concerns were identified during testing.

Recommendations

None