



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. 2017-30

TO: Renea Vincent, Director
Planning Department

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

SUBJECT: Unannounced Audit of the Planning Department Petty Cash Fund

DATE: December 19, 2017

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Planning Department Petty Cash Fund on October 27, 2017.

The objective of our audit was to reconcile the Petty Cash Fund and to ascertain that the appropriate internal controls, safeguards, and policies and procedures are being followed, safeguarding the county funds under your departmental control.

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 Petty Cash Fund did not reconcile to the authorized amount. There was an \$11 shortage. The custodian stated the Petty Cash Fund has been short by that amount since she assumed control. The department's internal controls and safeguarding of this fund are adequate, and the majority of the policies and procedures are being followed. We did note some deviation from the policy and procedures as it pertains to the monthly verification of the funds and the handling of the fund shortage.



An Accredited Office of
Inspectors General

1. The Petty Cash Fund Is Not Counted Every Month By A Supervisor Of The Custodian.

The Planning Department Petty Cash Fund is not counted and balanced monthly by the supervisor of the custodian of this fund, or by another designee. Per the Primary Custodian, the Petty Cash Fund is verified by the Alternate Custodian when reconciliations are completed; however, they are not verified monthly.

The Finance Division's Petty Cash and Change Fund Policy and Procedures state that, "At a minimum each fund should be counted and balanced monthly by the supervisor of the custodian or other designee." Cash fund policies and procedures are controls that are designed to safeguard cash. Non-compliance with policies and procedures can increase the risk of misuse of these funds.

We recommend Management require the supervisor of the Custodian, or appointed designee, count and balance the Petty Cash Fund on a monthly basis to comply with the Finance Division's Petty Cash and Change Fund Policy and Procedures.

Management Response:

Management concurs. This change has been implemented.

2. Procedures Are Not Followed For Reporting And Resolving Fund Shortages.

The Planning Department Petty Cash Fund did not reconcile; there was an \$11 shortage. Per the Primary Custodian, the Petty Cash Fund had an \$11.11 shortage when she took over the Fund. Every petty cash fund reconciliation submitted by the Custodian notes the shortage. However, the Custodian acknowledged that she was not aware of how to resolve the petty cash shortage.

The Finance Division's Petty Cash and Change Fund Policy and Procedures, Section IX, states:

"All overages are to be deposited to the appropriate overage revenue account established in each fund (ex. 0001.100200.3699990.xxxx.xxxxxxx.xxxxxxx). All shortages should also be charged to this same account with the approval of the Department Director. Shortages in excess of \$5.00 should be handled in the following manner:

- *Immediately notify the Department Director of any missing funds. Take note of circumstances surrounding the discovery and prepare a report.*
- *If the shortage involves cash in excess of \$50.00, then the following additional agencies should be notified:*
 - *Pinellas County Sheriff's Office...*
 - *Risk Management...*
 - *Division of Inspector General...*

- *Explanations of shortages should be provided to the Finance Division along with the next petty cash reimbursement request.*

Repeated instances of overages and shortages may necessitate a change in custodian. Losses resulting from mishandling of the funds may result in disciplinary action."

Even though the Custodian is documenting on the written reconciliation forms that the shortage exists, the shortage is not being entered as a line item into the actual reconciliation within Oracle Financials. As the shortage reimbursement is not being submitted as part of the system request, it is not being processed and paid out on the reimbursement checks.

We recommend Management communicate with the Finance Division to establish an action plan to resolve and document the shortage.

Management Response:

Management concurs. The Custodian is working with the Finance Division to properly resolve the shortage.

We appreciate your staff's cooperation during this audit.