TO: The Honorable Ken Burke  
Clerk of the Circuit Court  

The Honorable Chairman and Members  
of the Board of County Commissioners  

FROM: Hector Collazo, Jr., Director  
Audit Services, Division of Inspector General  

SUBJECT: 2010 Annual Summary Report of Random Unannounced  
Audits of the County’s Cash Imprest Funds  

DATE: April 6, 2011  

For your review and filing in the Official Records, I am enclosing a copy of the report  
dated April 6, 2011 on the above-referenced audit.  

I hope you find this report helpful in ensuring Pinellas County government provides the  
best possible service to our citizens.  

cc: Robert S. LaSala, County Administrator  
Jim Bennett, County Attorney  
Mark Woodard, Chief Assistant County Administrator  
Claretha N. Harris, Chief Deputy Director, Finance Division  
Ernst & Young
2010 ANNUAL SUMMARY REPORT
OF RANDOM UNANNOUNCED
AUDITS OF THE COUNTY’S
CASH IMPREST FUNDS

Audit Services
Division of Inspector General

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor

Hector Collazo, Jr., CFE, CFS, CISA, CIG, CIGI, CRISC
Director, Audit Services
Inspector General/Chief Audit Executive
Division of Inspector General**

Audit Team
Ken Green, CIGA - Senior Inspector General Auditor
Deborah Weiss, CIGA – Inspector General Auditor II

APRIL 6, 2011
REPORT NO. 2011- 04

* Regulated by the State of Florida
**Accredited Office of Inspector General
By the Commission of Florida Law Enforcement Accreditation
April 6, 2011

The Honorable Ken Burke
Clerk of the Circuit Court

The Honorable Chairman and Members of the Board of County Commissioners

We have concluded our 2010 Annual Summary Report of Random Unannounced Audits of the County’s Cash Imprest Funds. The Clerk of the Circuit Court Division of Inspector General’s Audit Services (IG) is responsible for performing these audits of the funds.

Our objectives were:

1) To determine if departments are complying with Clerk’s Finance and Clerk’s Accounting internal procedures for operating and administering imprest funds, and juror and witness funds, where applicable.
2) To determine if controls are adequate to safeguard change, petty cash, and juror and witness funds, where applicable.

We are pleased to report that in all of our 2010 audits, we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations. Generally, staff complies with the inventory policies and procedures. However, we did note an audit issue regarding compliance with existing documented policies and procedures, and this issue is included in this report. In some cases, we offered suggestions to County staff, which are also noted in this report.

We appreciate the cooperation shown by the staff during the course of these audits.

Respectfully Submitted,

Hector Collazo, Jr., Director
Audit Services, Division of Inspector General
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## Opportunities For Improvement

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County Funds Were Not Reconciled And Certified At The Time Of Change In Management/Fund Custodians.
INTRODUCTION

Overall Conclusion

We are pleased to report that in all of our random unannounced 2010 audits of the County's Cash Imprest Funds, we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations. Generally, staff complies with the inventory policies and procedures. However, we did note an audit issue regarding compliance with existing documented policies and procedures.

Scope and Methodology

The Clerk of Circuit Court Division of Inspector General's Audit Services (IG) performed unannounced audits of the County's Cash Imprest Funds.

Our objectives were:

1) To determine if departments are complying with Clerk's Finance and Clerk's Accounting internal procedures for operating and administering imprest funds, and juror and witness funds, where applicable.
2) To determine if controls are adequate to safeguard change, petty cash, and juror and witness funds, where applicable.

Our audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the 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 audit period was for the calendar year 2010. However, transactions and processes reviewed were not limited by the audit period.
OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Clerk Of The Circuit Court – St. Petersburg Branch

The Clerk of the Circuit Courts Division of Inspector General’s Audit Services (IG) completed an unannounced audit of County funds utilized by the Clerk of the Circuit Court St. Petersburg Branch. We audited the Change and Jury Payroll funds at this location on June 22, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

This unannounced audit did not identify any audit findings. Therefore, there were no recommended Opportunities for Improvement.

2. Clerk Of The Circuit Court – Tyrone Branch

The IG completed an unannounced audit of County funds utilized by the Clerk of the Circuit Court Tyrone Branch. We audited the Change, Witness, and Petty Cash funds at this location on July 30, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

This unannounced audit did not identify any audit findings. Therefore, there were no recommended Opportunities for Improvement.

3. Clerk Of The Circuit Court – Criminal Justice Center

The IG completed an unannounced audit of County funds utilized by the Clerk of the Circuit Court at the Criminal Justice Center. We audited the Change, Witness, Juror, and Petty Cash funds at this location on October 27, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

However, during our reconciliation of the Petty Cash fund, we found that there was no documentation in the cash box to support the difference of the cash on hand and the total amount of the fund. Instead, the documentation had been filed in the Assistant Manager’s desk.
To our knowledge, there are no policies or procedures that require the backup to be kept in the Petty Cash box; therefore, there were no non-compliance issues.

We recommended that the appropriate backup, such as receipts, be kept with the Petty Cash fund box to substantiate any differences. Furthermore, it may be beneficial to evaluate the current practices and revise the procedures to include this recommendation.

Management Response:

The Clerk's Director of Court and Operational Services and Chief Deputy Director of the Finance Division both agreed with our recommendations.

4. Clerk Of The Circuit Court – North County Branch

The IG completed an unannounced audit of County funds utilized by the Clerk of the Circuit Court North County Branch. We audited the Change, Witness, and Petty Cash funds at this location on November 18, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

This unannounced audit did note an audit finding in regard to compliance with existing documented policies and procedures. In addition, we identified internal control weaknesses that result from the lack of documented policies and procedures related to safeguarding the County funds.

County Funds Were Not Reconciled And Certified At The Time Of Change In Management/Fund Custodians.

The Clerk's North County Branch funds were not reconciled and certified at the time of the October 24, 2010 change in Branch management. Because the Branch Manager transferred to this location three weeks earlier, he could not initially provide the needed documentation to reconcile the Petty Cash fund. We contacted the Finance Department to determine if the North County Branch management had submitted the Notification of Change in Custodian and Fund Certification forms, as required by the Clerk's Petty Cash Fund and Change Fund Policy and Procedures. We learned that the North County Branch had not submitted these forms. Furthermore, we learned that the other components of this recent management change, the Tyrone and South County Branches, also had not submitted these documents. Total funds at these three branches where management changed on October 24, 2010 amount to $11,150, including $3,300 in Witness funds.

The Finance Department's Petty Cash and Change Fund Policy and Procedures state that notification of changes in custodians should include the location of the fund, the previous custodian, the new custodian, and the amount of the fund. It also states:
"In the event of a change in custodian or a request for change in amount, a certification should be included with the notification. The certification should state that the petty cash fund was reconciled and that all cash and expenditure receipts have been counted and verified by the custodian and the Department Director or designee."

Management did not comply with the existing Finance Department Petty Cash Fund and Change Fund Policy and Procedures related to changes of fund custodians. Moreover, we have not found any documented evidence of similar policies and procedures issued by the Clerk’s Accounting Department related to changes in custodians of the Jurors and Witness funds, which currently amount to $19,800. These Juror and Witness funds are responsibilities of the Clerk’s Accounting Department, whereas the Petty Cash and Change Fund responsibilities belong to the Finance Department.

Any existing irregularities in a department’s funds prior to a change in custodian/management will not be detected at the time of the custodian/management change if the funds are not reconciled at that time. New management could potentially be held accountable for cash and/or receipts missing prior to management’s transfer into the department. Total funds at these three branches where management changed on October 24, 2010 amounted to $11,150 for Petty Cash, Juror, Witness, and Change funds. Total funds for the three branches together with the Criminal Justice Center total $28,750 resulting in the need for stronger internal controls from documented policies and procedures.

**We Recommended** Management:

A. Comply with the Finance Department Policy and Procedures to reconcile and certify Petty Cash and Change fund amounts at the time of changes in custodians/management.

B. Develop Clerk’s Accounting Department policies and procedures to reconcile and certify Jurors and Witness fund amounts at the time of changes in custodians/management.

C. Assure that both sets of policies and procedures in A and B above specify that all funds are counted and reconciled at the time of changes in fund custodians/management. The existing Finance Department Policy and Procedures could be interpreted to mean that only the Petty Cash funds need to be counted, but we feel strongly that all funds need to be verified at the time of changes in custodians.

D. Modify the Finance Department Policy and Procedures relating to Petty Cash funds so that receipts for unreimbursed funds, that have been used and requests for reimbursements have not been received, are required to be kept with the actual funds.
Management Response:

The Clerk's Director of Court and Operational Services and Chief Deputy Director of the Finance Division both agreed with our recommendations.

5. Board of County Commissioners – Animal Services Department

The IG completed an unannounced audit of County funds utilized by the Animal Services Department. We audited the Change and Petty Cash funds at this location on December 16, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

This unannounced audit did not identify any audit findings. Therefore, there were no recommended Opportunities for Improvement.

6. Clerk Of The Circuit Court – Inspector General Department

The IG completed an unannounced audit of County funds utilized by the Inspector General Department. We audited the Petty Cash funds at this location on June 30, 2010. We are pleased to report that we were able to verify and reconcile the amount of funds on hand with the amounts authorized, based on our observations.

This unannounced audit did not identify any audit findings. Therefore, there were no recommended Opportunities for Improvement.
DIVISION OF INSPECTOR GENERAL

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