Memorandum 2012-02

TO: Hazel Bure, Director, Court and Operational Services
Connie Daniels, Director, Court and Operational Services

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

DIST: Ken Burke, Clerk of the Circuit Court
Myriam Irizarry, Chief Deputy Director, Clerk of the Circuit Court
Claretha Harris, Chief Deputy Director, Finance Division
Colleen Ford, Director, Court and Operational Services
Rod Tabler, Manager, St. Petersburg Branch
Jane Shifflett, Manager, Clerk’s Accounting Department

SUBJECT: Unannounced Audit of the St. Petersburg Branch Cash Funds

DATE: February 22, 2012

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Clerk of the Circuit Court St. Petersburg Branch cash fund. We audited the change, petty cash, and juror funds at this location on December 21, 2011.

The primary purpose of unannounced audits is to reconcile the funds to ensure that the appropriate internal controls, safeguards, and policies and procedures are being followed, safeguarding the county funds under your departmental control.

This unannounced audit did reconcile to the established amounts and all funds were accounted for. We did not attempt to reconcile the “stamp fund.” However, the audit did note audit findings concerning compliance with existing documented policies and procedures. Accordingly, the Opportunities for Improvements presented in this memorandum may not be all-inclusive of areas where improvement may be needed.

*Accredited Office of Inspector General by the Commission of Florida Law Enforcement Accreditation*
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.

Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, our review may not be all-inclusive of areas where improvement may be needed.

We appreciate the cooperation exhibited by your staff in this matter so that we could perform this audit in the most efficient manner.

If you have any questions regarding this matter, please feel free to call me at 464-8371.
OPPORTUNITIES FOR IMPROVEMENT

1. There Was Non-Compliance With The Finance Division Policy And Procedures For Change Of Cash Fund Custodians.

The Clerk of the Circuit Court's St. Petersburg Branch office did not comply with the Finance Division's Policy and Procedures related to changes of petty cash and change fund custodians. There was a change of the alternate custodian for the petty cash and change fund at the St. Petersburg Branch effective in July 2011. However, when we inquired on December 21, 2011 as to whether the "Request for Petty Cash/Change Fund" form, which notes the change in custodians and certifies the amount of petty cash and change fund on hand, had been submitted to the Finance Division, the St. Petersburg Branch management could not recall if the form had been prepared.

We asked the staff of the Finance Division if they had received the form from the St. Petersburg Branch and the staff told us that they had not received any notification of the July 2011 change for the alternate custodian for the St. Petersburg Branch. This form is also used to verify that the Petty Cash and Change Fund has been recounted at the time of the change in custodians.

The Finance Division's Petty Cash and Change Fund Policy and Procedures states the following:

"Notification of changes in custodians should include the location of the fund, the previous custodian, the new custodian, and the amount of the fund."

There is also the required form attached to the Policy and Procedures titled, "REQUEST FOR PETTY CASH/CHANGE FUND," which has a segregated area where the notation of change in custodians should be documented.

Inadequate training of clerks and other county management on the policies and procedures can result in non-compliance of these policies and procedures.

The non-compliance with policies and procedures related to cash fund custodians decreases the effectiveness of internal controls in place for the petty cash and change fund.

We recommend that the:

A. Clerk of the Circuit Court and Finance Division management conduct training for Clerk of the Circuit Court and other county management related to the Pinellas County Clerk of the Circuit Court Finance Division Petty Cash and Change Fund Policy and Procedures.
B. Finance Division management review the Pinellas County Clerk of the Circuit Court Finance Division Petty Cash and Change Fund Policy and Procedures to ensure that the policies and procedures clearly state what is required from whom.
Management Response:

A request for Petty Cash/Change Fund form was completed and sent on January 9, 2012. We were unable to find the hard copy the day of the audit, but have since located it.

2. There Was Non-Compliance With The Clerk’s Accounting Department’s Policies And Procedures For Changes In Fund/Cash Custodians.

The Clerk of the Circuit Court’s St. Petersburg Branch office did not comply with the Clerk’s Accounting Department’s Policies and Procedures related to witness and jury fund custodians. At the time of our December 21, 2011 audit, the St. Petersburg Branch had not submitted their notification and certification of the jury fund on hand at the time of the change of their alternate custodian effective in July 2011.

On January 17, 2012, we contacted the Clerk’s Accounting Department to determine if notification of the change in the alternate custodian and certification was received from the St. Petersburg Branch. Clerk’s Accounting provided us a memo dated January 17, 2012, the same date of our inquiry, from the St. Petersburg Branch management notifying the Clerk’s Accounting Department there was a change of alternate custodian and that the funds were certified. The change in alternate custodian was effective in July 2011. It was only after our inquiry on January 17, 2012 that the memo was sent.

Section 8.18 of the Clerk’s Accounting Department’s Policies and Procedures Manual, control procedures, states the following:

"Upon change of cash/fund custodian or department management, certification of funds and notification of the change should be sent to Clerk’s Accounting, the Department Director, and the Director over Clerk’s Accounting.

Notification of changes in custodians/management should include the type of fund, location of the fund, the previous custodian, the new custodian and the amount of the fund. In the event of a change in custodian or department management, a certification should be included with the notification. The certification should state that the Witness Imprest Fund and Cash Jury Fund were reconciled and that all cash and expenditure receipts have been counted and verified by the new custodian and the department Director or designee."

Inadequate training of the Clerk of the Circuit Court’s management related to the policies and procedures can result in non-compliance of the Clerk’s Policies and Procedures Manual.
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Non-compliance with policies and procedures related to cash fund custodians decreases the effectiveness of internal controls in place for these funds.

We recommend that the:

A. Clerk of the Circuit Court and Clerk's Accounting management conduct training for Clerk of the Circuit Court management related to the Clerk's Policies and Procedures Manual.
B. Clerk's Accounting management review the policies and procedures to ensure that they clearly state what is required from whom.
C. Clerk's Accounting management consider utilizing a form similar to the Finance Division's, "Request For Petty Cash/Change Fund," that is used to verify and certify the amount of funds on hand at the time of the custodian change.

Management Response:

On January 17, 2012, a memo was sent to the Clerk's Accounting Manager and Directors of Court and Operational Services to advise of a change in Jury Fund Custodians.