REPORT NO. 2013-08

TO:      Connie Daniels, Director
         Court and Operational Services

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

DIST:    Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
         Claretha Harris, Chief Deputy Director, Finance Division
         Alan Hebdon, Manager, Clerk’s Tyrone Branch Office

SUBJECT: Unannounced Audit of Clerk’s Tyrone Branch Office Cash Funds

DATE:    March 1, 2013

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Clerk’s Tyrone Branch Office change and petty cash funds located at 1800 66th Street North, St. Petersburg. We audited the cash funds on February 14, 2013.

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 reconciled to the authorized amount and all funds were accounted for. The department’s internal controls and safeguarding of petty cash and change funds are adequate; however, the audit did note a non-compliance issue in regards to compliance with existing documented policies and procedures for imprest funds.
County Funds Were Not Reconciled And Certified At The Time Of Change In Management/Fund Custodians.

The Clerk’s Tyrone Branch Office funds were not reconciled and certified at the time of the change in branch management during January 2013. As part of our overall testing procedures, we counted the petty cash ($150) and change funds ($1,500) to determine if the funds reconciled to the amounts authorized. In addition to our testing procedures, we interviewed management to determine their compliance with the Clerk’s Finance Division Petty Cash and Change Fund Policy and Procedures related to imprest funds.

Due to recent changes in management at various branches, we asked management at the Tyrone Branch whether or not the required change of custodian forms were completed and distributed to the Clerk’s Finance Division. Management stated that the forms had not yet been completed at the time of our audit.

The Finance Division’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."

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.

We recommend management:

A. Comply with the Clerk’s Finance Division Petty Cash and Change Fund Policy and Procedures to reconcile and certify petty cash and change fund amounts at the time of the change in custodians/management.

B. Assure that all funds are counted and reconciled at the time of changes in fund custodians/management. The existing Clerk’s Finance Division Petty Cash and Change Fund 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 change in custodians.
Management has informed us since our visit that the funds have now been certified and the required forms were sent to the Finance Division.

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