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REPORT NO. 2013-12

TO: Virginia Holscher, Bureau Director
Risk Management

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
Pam Grabo, Claims Manager, Risk Management
Laura Averill, Administrative Support Specialist, Risk Management

SUBJECT: Unannounced Audit of Risk Management Department Petty Cash Funds

DATE: April 12, 2013

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Risk Management Department's petty cash funds located in the Clearwater Annex building at 400 S. Ft. Harrison Street, Clearwater. We audited these funds on April 10, 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 existing documented policies and procedures for petty cash funds.



Petty Cash Funds Are Not Counted On A Monthly Basis.

The petty cash funds at the Risk Management Department are not counted and balanced on a monthly basis by the supervisor of the custodian or appointed designee.

The petty cash fund did reconcile to the established amount and all funds were accounted for. However, we inquired with the Petty Cash Custodian as to whether these funds are counted and balanced monthly by someone other than the cash custodian. The Petty Cash Custodian stated there are two designated employees to count the petty cash monthly; however, current workloads may have delayed the process.

Cash policies and procedures are controls used to safeguard cash. Non-compliance with procedures can lead to potential risk of misuse of funds. The Board of County Commissioners (BCC) Finance Department's policy and procedures for petty cash and change funds state the following regarding petty cash funds:

"VIII. REIMBURSEMENT OF PETTY CASH FUND

*A. The fund should be reimbursed when approximately 50% of the base fund has been expended. **At a minimum, each fund should be counted and balanced monthly by the supervisor of the custodian or other designee.**"*

We recommend the supervisor of the custodian, or appointed designee, count and balance the petty cash fund on a monthly basis to comply with the BCC Finance Department Policy and Procedures.