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Report No. 2016-30

TO: Lourdes Benedict, Director
Human Services

FROM: Hector Collazo, Jr., Inspector General/Chief Audit Executive
Division of Inspector General

DIST: Anita Russell, Human Services Program Administrator
Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Claretha Harris, Chief Deputy Director, Finance Division

SUBJECT: Unannounced Audit of the Human Services
Community Connections Division Petty Cash Fund

DATE: November 3, 2016

This letter serves to inform you that the Division of Inspector General completed an unannounced audit of the Human Services Community Connections Division Petty Cash Fund on September 13, 2016.

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.

The fund reconciled to the authorized amount and was accounted for. The division's internal controls and safeguarding of this fund are adequate. However, the audit did note two issues in regards to compliance with existing documented policies and procedures for Petty Cash funds.

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.



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1. Petty Cash Funds Are Not Counted Every Month By A Supervisor Of The Custodian.

The St. Petersburg Human Services Community Connections Division's Petty Cash funds are not counted and balanced monthly by the supervisor of the custodian of this fund, or by another designee. The current practice is to have the funds counted and balanced by the supervisor or designee when a reimbursement is being submitted to the Finance Division. The fund custodian was not aware of the requirement to have her supervisor count the fund monthly.

The Finance Division's Petty Cash and Change Funds' 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 that 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 Funds' policy and procedures.

Management Response:

Management concurs with the findings. Management will take steps to ensure monthly reconciliations will be performed.

2. Receipts Are Not Being Submitted For Reimbursement On A Timely Basis.

Approximately 68% of the St. Petersburg Human Services Community Connections Division's Petty Cash funds (total fund is \$600) counted were represented by receipts that had not yet been submitted for reimbursement. The Finance Division's Petty Cash and Change Funds' policy and procedures state that, "The fund should be reimbursed when approximately 50% of the base fund has been expended."

We recommend that the fund custodian submit receipts for reimbursement more frequently in order to comply with the Finance Division's policy and procedures.

Management Response:

Management concurs with the findings. Management will take steps to ensure the petty cash custodian will submit receipts for reimbursements when the fund gets to 50% or \$300.

We appreciate your staff's cooperation during this audit.