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REPORT NO. 2018-02

TO: Sally Bishop, Director
Emergency Management

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

DIST: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Claretha Harris, Chief Deputy Director, Finance Division

SUBJECT: Investigation of the Emergency Management Petty Cash Fund Shortage

DATE: February 15, 2018

The Division of Inspector General's Public Integrity Unit (PIU) received an allegation of Fraud, Waste, and Abuse. We investigated the following allegation related to a petty cash fund shortage.

The complainant alleged:

- Emergency Management petty cash in the amount of \$140 was missing.

The complainant did not provide documentation to assist with the investigation.

To determine whether the allegation was substantiated, we reviewed policies, procedures, and any other records deemed appropriate. We also conducted interviews of staff and other parties, as needed. Our investigation was performed according to the *Principles and Standards for Offices of Inspector General* and *The Florida Inspectors General Standards Manual* from The Commission for Florida Law Enforcement Accreditation.



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The Division of Inspector General's investigation of the allegation has determined that the allegation as noted above is **substantiated**. However there was insufficient evidence to identify the responsible party(ies).

We want to thank the Emergency Management staff for their assistance and cooperation during this investigation.

Investigation Background

On January 11, 2018, the Division of Inspector General (IG) received a phone call from the Custodian of the Emergency Management Petty Cash Fund indicating a substantial shortage was discovered during their fund verification. The IG staff conducted a count of the petty cash funds. The count confirmed a cash shortage of \$140 as reported by the Custodian. The last verification of this petty cash fund was conducted on November 27, 2017. The next verification would have transpired at the end of December 2017, but the Custodian was on vacation at the time. The petty cash fund was audited by the IG in October 2017, and was found to reconcile sufficiently, and petty cash procedures were being followed.

The IG staff obtained copies of the Custodian's incident reports submitted to the Finance Division, Risk Management, and the Pinellas County Sheriff's Office. Based on the submitted reports, the disappearance of the funds could have transpired at any time after the November 27, 2017 verification. Due to the lack of timeline, evidence, forensics, witnesses, or video surveillance, there was no further investigation into the missing funds. However, we noted an issue during our investigation, which is detailed below.

Investigative Findings, Issues, and/or Concerns

1. There Are Weak Internal Controls For The Security Of The Petty Cash Fund.

We reviewed the security measures implemented by the Emergency Management Department with regard to the petty cash fund. Emergency Management is located in the Public Safety Complex, which is a highly secured building. The Custodian's office (cubicle) has a door, but does not have a locking mechanism. The office is open to all employees and visitors to the Department. At the time of this incident, the Custodian's normal process would be to keep the cash box in a three drawer locking cabinet, but the three drawer cabinet is left unlocked during the day when the Custodian is on-site. The Custodian would lock the drawer when leaving for the evening. The cash box does not have its own locking mechanism. The backup key is left in another employee's office, which is left unlocked at all times. The entire staff was familiar with the location of the backup key.

Best practices and internal controls specify cash should be maintained in a locked environment during non-business hours and that the access to the areas where the cash is stored be limited to only those employees who need access and/or have been

designated to have access. During business hours, the money should be in a locked environment or under the complete control of the custodians.

We recommend Management increase the security of the cash box. This could include obtaining a locking cash box, ensuring the keys to the new box remain only in the possession of the custodians, and changing the storage location of the cash box to a more secured area.

Management Response:

Management concurs. Several steps have been taken to prevent this type of incident from ever happening again. Emergency Management has purchased a Stanley Solid Steel Biometric Personal Home Safe with fingerprint recognition, 4-8 digit security pin, or manual key entry. This safe will be kept in a different area, in a locked drawer. The Director, Operations Manager, and Administrative Support Supervisor will have the direct access to this safe.