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Report No. 2018-15

TO: David Downing, Bureau Director
Convention and Visitors Bureau

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
Maria Hargrett, Accounting Manager, Convention and Visitors Bureau

SUBJECT: Unannounced Audit of the Convention and Visitors Bureau Petty Cash Fund

DATE: July 17, 2018

This letter serves to inform you that the Division of Inspector General has completed an unannounced audit of the Convention and Visitors Bureau Petty Cash Fund on June 22, 2018.

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.

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.

The Petty Cash Fund did reconcile to the authorized amount. The department's internal controls and safeguarding of this fund are adequate, and the majority of the policies and procedures are being followed. We did note some deviation from the Finance Division's Petty Cash and Change Fund Policy and Procedures. These issues are noted below.



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1. The Petty Cash Fund Is Not Counted And Balanced Every Month.

The supervisor of the custodian or another designee does not count and balance the Convention and Visitors Bureau Petty Cash Fund monthly. Per the Primary and Alternate Custodians, the Petty Cash Fund is verified by an Alternate Custodian when reconciliations are completed; however, they are not verified monthly.

The Custodians secure the petty cash box in a safe; however, the safe is located in the supervisor's office, who is also an Alternate Custodian. The location of the safe creates additional risk for potential misuse of funds. To ensure proper controls, an independent employee (non-custodial) in the department should verify the Petty Cash Fund monthly.

The Finance Division's Petty Cash and Change Fund Policy and Procedures states 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.

The Custodians stated they were not aware of the requirement to count and balance the Petty Cash Fund at least every month. Non-compliance with policies and procedures can increase the risk of potential misuse of these funds

We recommend Management require an independent employee count and balance the Petty Cash Fund on a monthly basis to comply with the Finance Division's Petty Cash and Change Fund Policy and Procedures.

Management Response:

Management concurs. The Convention and Visitors Bureau will conduct a monthly count and balance of the Petty Cash Fund consistent with the Finance Division's policy and procedures. The Department Director and/or Deputy Director (as supervisors of the custodian) will directly oversee compliance.

2. A Non-Custodial Employee Has Access To The Petty Cash Box Key.

A non-custodial employee has access to the safe where the Convention and Visitors Bureau Petty Cash Fund box and key are stored. As part of the unannounced cash audit process, we observe the security of funds and inquire who has access to those funds. During our audit, we observed the Custodians secure the Petty Cash Fund in a locked cash box stored in a safe. The petty cash box key was also secured in the safe.

The Custodians informed us that a non-custodial employee also has access to the safe, as staff maintains important department documents in the safe; therefore, the non-custodial employee also has access to the petty cash box key.

Access to the petty cash box by non-custodial employees increases the risk for potential misuse of funds. The Custodians should secure the petty cash box key in a location where only the Custodians have access.

We recommend Management secure the petty cash box key in a separate location from the petty cash box so access to the key is limited to the Petty Cash Fund Custodians.

Management Response:

Management concurs. The Convention and Visitors Bureau petty cash box key will be secured in a location for Custodian-only access.

We appreciate your staff's cooperation during this audit.