



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

CASH HANDLING ACCOUNTABILITY FISCAL YEAR 2014

REPORT # 273

DECEMBER 4, 2014



December 4, 2014

The Honorable Sandra L. Murman, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Ken Hagan
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Stacy White

Dear Chairman Murman and Commissioners:

The Audit Team performed an audit of cash handling accountability for fiscal year 2014 Audit Report # 273, dated December 4, 2014 consisting of a series of unannounced cash counts.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Directors and personnel responsible for cash counts.

Sincerely,

Peggy Caskey, CIA, CISA, CFE
Director of County Audit

CC: Mike Merrill, County Administrator

Tom Fass, Assist. County Administrator, Asset Mgmt. & Knowledge Commons

Bruce Dangremond, Performance Mgmt, Business and Support Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION

“Cash handling” is a term used to encompass the controls and processes related to accounting for and safeguarding all negotiable instruments, whether in cash, check, or electronic form of tender. In addition to being accountable for customer payments (collections), cash handling locations usually have a small change fund.

The Board of County Commissioners (BOCC) Policy 03.00.01.00, Petty Cash and Change Funds, dated November 16, 1994, provides guidance to authorize and approve petty cash and change funds. The Policy assigns the responsibility to all elected officials and agency or department heads to comply with the BOCC revised procedures for the establishment, use, and control of a petty cash and change fund.

Per the Policy, the purpose of a change fund is to provide cashiers with adequate monies to make change for the public. The change fund and collections should be verified daily. The change fund cannot be used to make expenditures. The change fund cannot be used to cover overages and shortages in cash collections. Only those employees specifically designated as a cashier and are thoroughly knowledgeable of cash collection procedures are authorized to collect monies.

OBJECTIVE

The objective of the audit was to assess cashiers' compliance with BOCC Policy 03.00.01.00, Petty Cash and Change Funds.

SCOPE

The audit was conducted in accordance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on

the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

This audit was performed periodically over a five month time span to evaluate cash handling accountability at five locations across Hillsborough County. Audit work took place in March and April 2014.

OVERALL EVALUATION

Management and cashiers were responsive to the Audit Team's inquiries and assisted with the unannounced cash audits. The Audit Team was provided with thorough information in a prompt and courteous manner. The Audit Team encountered knowledgeable and dedicated managers and cashiers during the course of the audit.

AUDIT COMMENT	CONCLUSION OF OBJECTIVE	PAGE
1	Cashiers appear to be performing their cash handling responsibilities in compliance with BOCC Policy 03.00.01.00, Petty Cash and Change Funds.	4

OPINION

No material concerns were identified during the audit. The cash handling accountability control environment is at the moderate maturity stage - moderate capabilities to identify, assess, manage and monitor operational processes associated with cash handling.

Minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

An exit conference was not held for this Report.

AUDITED BY

Peggy Caskey, CIA, CISA, CFE, Director of County Audit

Mark Kolman, CIA, CISA, CPA, CFE, Audit Manager

Margaret Brown, CIA, Senior Auditor

Benjamin Everett, CPA, CIA, Internal Auditor II

Lovonia Scott, CGAP, Internal Auditor II

Brenda Tyler, CGAP, Internal Auditor II

AUDIT COMMENT & RECOMMENDATION

AUDIT COMMENT 1

Cashiers appear to be performing their cash handling responsibilities in compliance with BOCC Policy 03.00.01.00, Petty Cash and Change Funds.

In March 2014, the Audit Team identified the full population of 47 cash locations under the Board of County Commissioners.

From that population, the Audit Team judgmentally selected five locations based upon factors such as deposit volume and/or length of time since the location's last cash audit. The table below shows the date and location of the five unannounced cash audits.

Cash Location	Date of Unannounced Cash Count
BOCC - John F. Germany Public Library	March 25, 2014
BOCC – Lithia Springs Regional Parks Library	March 28, 2014
BOCC – Law Library	April 9, 2014
BOCC – Pierce Street Garage	April 10, 2014
BOCC – C. Blythe Andrews Library	April 15, 2014

As part of each unannounced cash audit, the Audit Team:

- Counted all cash on hand (including cash, checks, and debit/credit card payments) and reconciled the collections to the transaction records; and
- Verified that the change fund(s) balanced to the amount authorized by the BOCC.

Cashiers at the selected locations properly handled and accounted for their cash receipts. The cash on hand reconciled to the transaction records and the change fund(s) balanced to the amount authorized by the BOCC. No material concerns were identified during testing.

As each unannounced cash count was completed, the Audit Team provided specific observations to management.

RECOMMENDATION

The audit test results did not identify any material concerns that require management's corrective action.