

**Hernando County Clerk of Circuit Court
Audit Services Department
MEMORANDUM**

TO: Jana Murphy, Court Services Director
Barbara Shiflett, Library Systems Director
Frank McDowell III, Code Enforcement Director
Charles "Pat" Fagan, Parks and Recreation Director

VIA: Karen Nicolai, CPA, Clerk of Circuit Court

FROM: Peggy Prentice, CIA, CISA, CFE, Audit Services Director

SUBJECT: Unannounced Petty Cash and Change Fund Counts

DATE: July 26, 2007

The Audit Services Department's (ASD) Audit Projects Schedule included an unannounced inspection of a sample of Board of County Commissioners' and Clerk of Circuit Court's petty cash and change funds.

This memorandum contains the ASD's review observations, comments, and recommendations.

Sample Selection

The ASD selected a test sample of three petty cash funds (out of a population of 12) and eight change funds (out of a population of 41). This sample contained petty cash and change funds assigned to the following four departments: Code Enforcement, Law Library, Library Services, and Parks and Recreation. Some of these departments had more than one fund tested.

Observations

On June 21 and 24, 2007, the ASD performed unannounced inspections (cash counts and cash custodian interviews). The ASD also observed whether the park entry gate counters were operational at the time of inspection.

Comments

No material concerns were identified when inspecting the Code Enforcement, Library Services, and Parks and Recreation funds. In addition, the ASD observed that the park entry gate counter was operational at Pine Island at the time of inspection.

The following exceptions were identified:

LAW LIBRARY PETTY CASH

The fund was over \$3.01 (not a material dollar amount). Inconsistent with the Accounts Payable Policy, the custodian did not report the overage to the Finance Department. The Accounts Payable Policy Manual states that all overages/shortages of funds should be

reported to the Finance Department. Overages should be deposited separately and listed as excess revenue.

Recommendation: Consideration should be given to reporting all overages/shortages of funds to the Finance Department, and overages should be deposited separately and listed as excess revenue.

Although the ASD 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. Specific areas for improvement are listed above.

If you have any questions, concerns, or need additional information in regard to the above, please do not hesitate to contact me at (352) 540-6235, extension 72384, or just stop by my office in Room 201.

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Hernando Today
St. Petersburg Times – Hernando Edition
WWJB Radio Station
Hernando County Public Library