

Mailing Addresses:

Dade City:
38053 Live Oak Avenue
Dade City, FL 33523-3894

New Port Richey:
P.O. Box 338
New Port Richey, FL 34656-0338

Office Locations:

Robert D. Sumner Judicial Center
38053 Live Oak Avenue, Suite 205
Dade City, FL 33523-3894

West Pasco Judicial Center
7530 Little Road, Suite 106
New Port Richey, FL 34654

East Pasco Government Center
14236 Sixth Street, Suite 201
Dade City, FL 33523

West Pasco Government Center
8731 Citizens Drive, Suite 220
New Port Richey, FL 34654

East Pasco Records Center
38319 McDonald Street
Dade City, FL 33525

West Pasco Records Center
Jack Albert Records Retention Center
8901 Government Drive
New Port Richey, FL 34654

Phone: (727) 847-8199
Fax: (727) 847-8121

www.pascoclerk.com

poneil@pascoclerk.com

Excellence... Always

Paula S. O'Neil, Ph.D.
Clerk & Comptroller
Pasco County, Florida

June 29, 2018

The Honorable Mike Wells, Chairman, and
Members of the Board of County Commissioners
Pasco County Board of County Commissioners
8731 Citizens Drive
New Port Richey, Florida 34654

Dear Chairman Wells and Members of the Board:

Enclosed is Audit Report No. 2018-01-C2. The Department of Inspector General (IG) conducted an unannounced audit of the County Attorney's petty cash fund. The objective of this audit was to verify the cash funds existed, and was properly secured and accounted for.

There were no findings as a result of this audit. The IG concluded that the petty cash fund existed, and was properly secured and accounted for at the time of the unannounced audit.

We appreciate the cooperation and professional courtesy received from the County Attorney staff during the audit. Please let us know if you wish to discuss any of the information provided in the report.

We request the Board to receive and file the report.

Sincerely,

Paula S. O'Neil, Ph.D.
Clerk & Comptroller

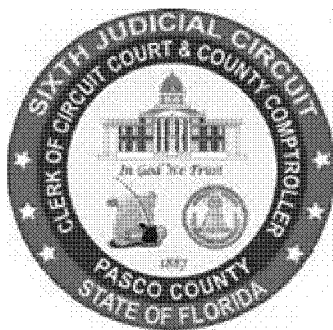
PSO/pmm

Office of Paula S. O'Neil
Clerk & Comptroller
Pasco County, Florida

Pasco County Attorney's Office

Petty Cash Audit

August 7, 2018



Department of Inspector General

Patrice Monaco-McBride, CIG, CIGA, CGFO
Inspector General

Erika Hendricks, CIA, CIGA, CFE
Auditor III

Sarah Denney
Auditor I

Report No. 2018-01-C2

Department of Inspector General
P.O. Box 724
Dade City, FL 33523-3894
www.pascoclerk.com

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Executive Summary

Background Information

As part of the Department of Inspector General (IG) annual audit plan, the IG conducted an unannounced audit of the change funds authorized by the Board of County Commissioners (BCC). This audit included approximately 24% of all BCC petty cash and change fund drawers (cash funds). The remaining cash funds were scheduled for unannounced audits to take place during the remainder of the fiscal year.

Independent, surprise audits of cash drawers is a key internal control that is preventative, as well as detective in nature. According to the Association of Certified Fraud Examiners' 2018 Report to the Nations on Occupational Fraud and Abuse, the presence of certain controls was associated with smaller losses and quicker fraud detection. The study revealed that, when compared to agencies that did not conduct surprise audits, agencies that conducted surprise audits discovered fraud in half the time, and the loss was 51% less (Report to the Nations on Occupational Fraud and Abuse, 2018, pages 28-29).

Historically, change funds were issued to various departments throughout Pasco County and were authorized by the BCC prior to being distributed to the requesting departments. Each change fund was assigned to a custodian, who signed a control form accepting responsibility and accountability for the funds issued. These control forms were maintained by the Clerk & Comptroller's Department of Financial Services. The control forms stated that the funds were subject to periodic, unannounced audits by the Clerk & Comptroller's Office. For security purposes, dollar amounts were excluded from the final report.

According to the control on file at time of audit, the County Attorney's Office had a petty cash fund. For security purposes, dollar amounts were excluded from the final report.

Objectives

The audit objectives were to:

- Determine that the cash funds existed and cash receipts in the cash drawer were present and in agreement with the supporting records and documents.
- Determine that the cash funds were properly secured at time of the unannounced audit.
- Determine the established cash funds were properly accounted for in the general ledger.
- Determine if Change Fund/Petty Cash Fund control forms were up to date with correct information, and filed with Financial Services.

Scope and Methodology

The Department of Inspector General conducted a limited scope audit and did not perform a comprehensive evaluation of internal controls over cash handling or perform detailed testing of compliance with the County's cash handling policies and procedures. The primary focus of this audit was to verify the existence of the cash funds, perform an unannounced count of monies in

each cash drawer, and note exceptions and discrepancies. Unannounced cash counts were conducted on 3/26/2018.

Although the audit team exercised due professional care in the performance of this audit, this does not mean that unreported noncompliance or irregularities did not exist. The deterrence of fraud, and/or employee abuse was the responsibility of management. Audit procedures alone, even when carried out with professional care, cannot guarantee that fraud, waste, or abuse will be detected.

The audit was neither designed nor intended, to be a detailed study of every relevant system, procedure, or transaction. The purpose of this report was to provide an independent, objective analysis, recommendations, and information concerning the activities reviewed. It was not an appraisal or rating of management.

To achieve the objectives, the procedures performed included, but were not limited to, the following:

- Performed unannounced cash counts for cash funds selected, and balanced each drawer to the cash receipts or daily collections to the appropriate system.
- Obtained and verified that the control forms on file in the Clerk & Comptroller's Department of Financial Services accurately reflected the cash fund amount.
- Verified that the total cash fund amount on the control forms agreed to the fund totals in the accounting system.
- Identified and documented exceptions and discrepancies.

Statutory and Pasco County Guidelines

To conduct this audit, the Department of Inspector General relied on the following authoritative guidelines to serve as criteria:

- 2017 Florida Statutes, Chapter 212, Section 212.08(6) – Exemptions; Political Subdivisions
- County Attorney's Petty Cash Instructions/Information
- Petty Cash and Change Fund Procedures, dated 8/5/91

Conclusion

The Department of Inspector General (IG) concluded that the petty cash fund verified existed, reconciled to the supporting documentation, and was properly secured at time of the unannounced audit. There were no findings as a result of this audit. The IG thanks the County Attorney Office for their professionalism and cooperation during this audit.

References

Association of Certified Fraud Examiners: 2018 Report to the Nations on Occupational Fraud and Abuse.