

# Unannounced Audit of Cash Funds Board of County Commissioners

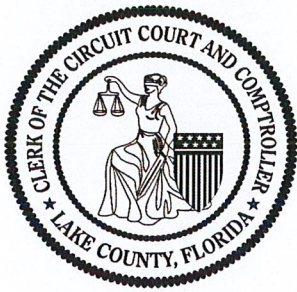
## **Inspector General Department** Gary J. Cooney, Clerk of the Circuit Court & Comptroller **Audit Report**

**Terri Freeman, CPA, CIA, CISA, CRMA**  
**Inspector General**

Audit Conducted by:  
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**Report No. BCC-196**  
**May 25, 2021**



**Inspector General Department**

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May 25, 2021

Board of County Commissioners

We have conducted an unannounced audit of the register drawer and petty cash funds of various offices under the Board of County Commissioners, as scheduled in the Clerk's Annual Inspector General Audit Plan.

We appreciate the cooperation and assistance provided by everyone during the course of the audit.

Respectfully submitted,

Terri W. Freeman  
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller  
Denise Bell, Chief Deputy Clerk  
Alan Rosen, County Manager  
Jennifer Barker, Executive Director, Administrative Services  
Fred Schneider, Assistant County Manager  
Mary Hamilton, Interim Assistant County Manager  
Brandon Matulka, Executive Director, Economic Growth  
Tom Allen, Director, Office of Building Services  
Whitney Boylston, Director, Office of Animal Services  
Tim McClendon, Director, Office of Planning and Zoning  
Jill Brown, Director, Office of Transit Services  
George Taylor, Director, Office of Library Services  
Megan Mann, Director, Office of County Extension Services

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# Scope and Objective

As scheduled in the Inspector General Audit Plan, unannounced cash audits were conducted in randomly selected offices.

The objectives of the audit were to:

- Verify whether petty cash and cash drawers reconciled to report and receipt amounts.
- Validate the starting drawer amounts agreed to amounts provided by the Finance department.
- Determine whether funds were appropriately secured and checks were restrictively endorsed.
- Assess the design and execution of controls to minimize the risk that someone could commit a fraud or make an unintentional error without it being detected by someone else.
- Determine whether the correct amount of cash is present and accounted for properly.

The audit period was September 2020 through December 2020.

# Overall Conclusion

There are opportunities to improve how safes and monies are secured, which are identified at the end of this report.

The following controls appeared to be functioning as designed:

- Cash was properly accounted for in 17 of 18 (94%) cash registers, safes, and petty cash boxes counted.
- Cash and checks were handled, stored, and endorsed appropriately.
- Petty cash boxes contained receipts to validate the amount of money spent.

# Background

The following offices were included in the audit and engage in cash various cash transactions:

- Public Works (Engineering, Environmental Services, Water Lab and Solid Waste): Collects fees related to processing water samples, road operations, and landfill disposal fees.
- Extension Services: Maintained a small petty cash fund for office expenses.
- Building Services: Collects fees for various permit fees, plan reviews and inspections, and construction licenses.
- Animal Services: Collects fees related to licensing animals and adoptions, veterinarian costs, boarding fees, impoundments, and copies of documents.
- Planning and Zoning: Collects various fees including plan application and reviews, zoning permits, site plan reviews, and maps and publications sales.
- Library Services: Collects fees including non-resident annual memberships, printing services, overdue charges, and books by mail.
- Transit Services: Collects fees for fares and passes for public transportation, and maintains a small petty cash fund for office expenses.

# Opportunities for Improvement

## 1. Reconciliation of Register Funds:

**Office of Animal Services:** The register drawer reconciliation was short \$40.00. The cashier stated that the supervisor was at the bank obtaining change but this was not documented. A second random count was performed later and everything reconciled. Without documentation of the chain of custody of funds, there is a risk of misappropriation of funds or cashiers being falsely accused if funds are missing.

**Agreed Upon Action Plan:** Management has implemented a system to track when cash is removed from the register to make change at the bank. The cashier and employee making change will both sign, date, and note the amount taken on pre-printed slips of paper. The slips are retained with the end of day paperwork.

**Target Completion Date:** Complete

## 2. Security of Cash Register Drawers and Petty Cash Funds:

Of the 18 register drawers and petty cash funds observed, nine were appropriately secured. The remaining nine were only partially secured.

Management quickly addressed these issues.