




Angelina "Angel" Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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MEMORANDUM

To: John Barnott, Director, Building and Development Services Department
From: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller 
Date: April 26, 2017
Subject: Unannounced Audit of Cash Funds

The Internal Audit Department has completed an unannounced audit of cash funds of the Building and Development Services Department. This audit was performed in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

Background

Manatee County departments may maintain petty cash funds to reimburse employees for minor expenditures. Departments may also maintain change funds for the purpose of making change where money is collected for Manatee County business purposes. All departments are required to follow Manatee County's Petty Cash Policy as well as the Petty Cash and Change Fund Procedure.

The Building and Development Services Department utilizes three change funds totaling \$900. These include one \$500 change fund located at the Manatee County Administration Building and two \$200 change funds located at the North River Annex. The change funds are used to provide change to customers paying fees such as permitting, impact, license, or inspection fees. The Department does not maintain any petty cash funds.

Objective

The audit objectives included verifying:

- The Department's cash funds existed and reconciled to the approved balances in IFAS.
- The Department was in compliance with Manatee County's Petty Cash Policy and Petty Cash and Change Fund Procedure.
- The Department's controls over cash funds were adequate.

Scope

All cash on hand at the Building and Development Services Department on the unannounced date of March 15, 2017.

"Pride in Service with a Vision to the Future"

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

Methodology

Change funds were verified and reconciled to the approved balances recorded in IFAS. Cash receipts were agreed to supporting documentation to confirm that they were properly accounted for, receipted, and deposited. Test work also included interviewing Building and Development Services Department staff regarding change fund and cash receipt controls, obtaining relevant policies and procedures, and verifying compliance with the County's Petty Cash Policy and Petty Cash and Change Fund Procedure.

Results

The Building and Development Services Department's change funds at the Manatee County Administration Building and North River Annex on March 15, 2017, agreed to the balances recorded in IFAS. Cash receipts counted at both locations agreed to supporting documentation and the subsequent bank deposits.

We performed the unannounced cash count of the Building and Development Services Department's change funds and cash receipts at the end of day on March 15, 2017. The count covered both of the Department's cash collection locations: the Manatee County Administration Building and the North River Annex. The change funds were reconciled to the approved balances recorded in IFAS, and the cash receipts were reconciled to the supporting Community Plus register transaction reports, the bank deposits, and the IFAS revenue postings, without exception.

We noted no significant compliance or internal control weaknesses related to payments received by the cashiers at the Administration Building or the North River Annex. However, we identified one process where controls could be strengthened. At the time of the cash count, it was noted that checks received through the mail were not restrictively endorsed upon receipt. Mail was opened by an employee at the Department's front desk, who then carried any checks received to the Permitting Division for processing. The Permitting Division created invoices and took the invoices and checks to the cashiers for receipting. While it appears that the mail and checks were being processed immediately, the checks were handled by multiple employees before they were receipted, increasing the risk they could be lost or misplaced. Restrictively endorsing the checks reduces the risk that a lost check could be cashed or otherwise converted by someone other than Manatee County.

A summary of funds on hand as of March 15, 2017 is included in [Exhibit A](#).

***Recommendation:** We recommend that any checks received through the mail be restrictively endorsed immediately upon receipt, by the employee opening the mail. We further recommend that this procedure be included in the Department's operating policies and procedures.*

AMC/LJS/JEB

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court

Exhibit A

**SCHEDULE OF FUNDS ON HAND – BUILDING AND DEVELOPMENT SERVICES DEPARTMENT
As of March 15, 2017**

Manatee County Administration Building

Undeposited Cash	\$	68.02
Undeposited Checks		436,142.37
Change Funds		<u>500.00</u>
Total – Manatee County Administration Building	\$	436,710.39

North River Annex

Undeposited Cash	\$	184.07
Undeposited Checks		65,810.89
Change Funds		<u>400.00</u>
Total – North River Annex	\$	66,394.96

Total Funds on Hand: **\$ 503,105.35**