MEMORANDUM

To: Mike Gore, Director, Utilities Department
From: Angelina “Angel” Colonneso, Clerk of the Circuit Court and Comptroller
Date: September 10, 2018
Subject: Unannounced Audit of Cash Funds

The Internal Audit Department has completed an unannounced audit of cash funds of the Utilities Department’s Lena Road Landfill location. 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 Utilities Department utilizes one petty cash fund totaling $50 and one change fund totaling $1,150 at the Lena Road Landfill. The funds are used to cover minor departmental expenditures and to provide change related to the Department’s landfill operations.

Objective

The audit objectives included verifying:

- The Department’s cash funds existed and reconciled to the approved balances in ONESolution.
- 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 Utilities Department’s Lena Road Landfill location on the unannounced date of August 1, 2018.
Methodology

Petty cash and change funds were verified and reconciled to the approved balances recorded in ONESolution. Cash receipts were agreed to supporting documentation to confirm that they were properly accounted for, receipted, and deposited. Test work also included interviewing Utilities Department staff regarding petty cash, 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 Utilities Department’s change and petty cash funds at the Lena Road Landfill location have been properly accounted for. On August 1, 2018, the petty cash and change funds were counted and reconciled to the balances recorded in ONESolution. Cash receipts agreed to supporting documentation and the subsequent bank deposit._

We performed the unannounced cash count of the Utilities Department’s petty cash, change funds, and cash receipts on August 1, 2018. The count covered only the Department’s Lena Road Landfill location. The petty cash and change funds were reconciled to the approved balances recorded in ONESolution, and the cash receipts were reconciled to the supporting CompuWeigh balancing reports, the bank deposit, and the ONESolution revenue posting, without exception. One $24.40 cash receipt was collected after our count cutoff time of approximately 4:30pm. These funds were not included in the count and are listed separately in Exhibit A on the following page.

We noted no significant compliance or internal control weaknesses related to payments received by the cashiers at the Utilities Department’s Lena Road Landfill location. However, we identified one area where an improvement could be made to the Department’s practices involving the petty cash fund. According to the County’s Petty Cash and Change Fund Procedure, a petty cash voucher must be prepared for each disbursement of funds. The voucher must be signed by the person receiving the cash, and the person receiving the merchandise or service must sign the receipt or invoice as evidence that the merchandise or service was received. Petty cash vouchers held by the Department included eight reimbursements to employees for road tolls. Although the petty cash vouchers were signed and complete, and the toll receipts were attached, none of the toll receipts had been signed.

A summary of funds on hand as of August 1, 2018 is included in Exhibit A.

_Recommendation: We recommend that the Department ensure all petty cash receipts or invoices are signed by the person receiving the merchandise or service, as required in the County’s Petty Cash and Change Fund Procedure._

AMC/LJS/JEB

cc: Board of County Commissioners
    Ed Hunzeker, County Administrator
    Cheri Coryea, Deputy County Administrator
    Dan Schlandt, Deputy County Administrator
    Mitchell Palmer, County Attorney
    Dan Wolfson, Finance Director, Clerk of the Circuit Court
## Exhibit A

### SCHEDULE OF FUNDS ON HAND – UTILITIES DEPARTMENT
**LENA ROAD LANDFILL**

**As of August 1, 2018 4:30pm**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$6.50</td>
</tr>
<tr>
<td>Change Funds</td>
<td>1,150.00</td>
</tr>
<tr>
<td>Cash Receipts</td>
<td>735.74</td>
</tr>
<tr>
<td>Check Receipts</td>
<td>142.13</td>
</tr>
<tr>
<td><strong>Total Funds - Audited</strong></td>
<td><strong>$2,034.37</strong></td>
</tr>
</tbody>
</table>

**Funds Collected After Audit Cutoff**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Receipts</td>
<td>$24.40</td>
</tr>
<tr>
<td><strong>Total Funds - Collected After Cutoff</strong></td>
<td><strong>$24.40</strong></td>
</tr>
</tbody>
</table>

**Total Funds on Hand:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Funds on Hand:</strong></td>
<td><strong>$2,058.77</strong></td>
</tr>
</tbody>
</table>