



# Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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## MEMORANDUM

To: Mike Gore, Director, Utilities Department

From: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller

Date: July 20, 2017

Subject: Unannounced Audit of Cash Funds

The Internal Audit Department has completed an unannounced audit of cash funds of the Utilities Department’s 66<sup>th</sup> Street West 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 two petty cash funds totaling \$900 and one change fund of \$1,000 at the 66<sup>th</sup> Street West location. The funds are used to cover minor departmental expenditures and to provide change to customers paying their utility bills.

### 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 Utilities Department’s 66<sup>th</sup> Street West location on the unannounced date of June 7, 2017.

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

## **Methodology**

Petty cash and 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 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 66<sup>th</sup> Street West location have been properly accounted for. On June 7, 2017, the change fund was counted and reconciled to the balance recorded in IFAS; the cash receipts agreed to supporting documentation, and the subsequent bank deposit. The petty cash funds counted on June 7, 2017 and June 8, 2017, also reconciled to the balances recorded in IFAS.*

We performed the unannounced cash count of the Utilities Department's change fund and cash receipts at the end of day on June 7, 2017. The count covered only the Department's 66<sup>th</sup> Street West location. The change fund was reconciled to the approved balance recorded in IFAS, and the cash receipts were reconciled to the supporting Customer Suite balancing reports, the bank deposit, and the IFAS revenue posting, without exception. We noted no significant compliance or internal control weaknesses related to payments received by the cashiers at the Utilities Department's 66<sup>th</sup> Street West location.

There are two petty cash funds maintained at the 66<sup>th</sup> Street West location. Due to the custodian of one of the funds being unavailable, we were only able to count one of the petty cash funds on June 7, 2017. The second petty cash fund was counted on June 8, 2017. Both petty cash funds reconciled to the balances recorded in IFAS.

Although not an exception or finding, we did identify one area where an improvement could be made to the Department's practices involving custody of the petty cash funds. It was noted that each of the Department's two petty cash funds can only be accessed by their respective assigned custodians; alternate custodians have not been assigned to either fund. In the event that one of the custodians is unavailable, his/her respective petty cash fund is also unavailable. Assigning an alternate custodian for each of the funds would enable the Department to access those funds in the absence of either primary custodian. In addition, Manatee County's Petty Cash Policy makes reference to the practice of establishing alternate custodians, as it states, "Only the person designated as the custodian or the alternate custodian should be permitted access to the fund."

A summary of funds on hand as of June 7 and June 8, 2017 is included in [Exhibit A](#).

*Recommendation: We recommend that the Department consider assigning an alternate custodian to each petty cash fund.*

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 - UTILITIES DEPARTMENT  
66<sup>TH</sup> STREET WEST LOCATION**

**As of June 7, 2017**

Petty Cash	\$	149.30
Change Funds		1,000.00
Cash Receipts		3,339.24
Check Receipts		<u>30,476.40</u>
<b>Total - As of June 7, 2017</b>	<b>\$</b>	<b>34,964.94</b>

**As of June 8, 2017**

Petty Cash	\$	<u>170.19</u>
<b>Total - As of June 8, 2017</b>	<b>\$</b>	<b>170.19</b>

<b>Total Funds on Hand:</b>	<b>\$</b>	<b><u>35,135.13</u></b>
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