



# Angelina "Angel" Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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## MEMORANDUM

To: Ava Ehde, Director, Neighborhood Services Department  
From: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller  
Date: January 27<sup>th</sup>, 2020  
Subject: Unannounced Audit of Cash Funds

The Division of Inspector General has completed an unannounced audit of cash funds of the Neighborhood Services Department's South Manatee Library. 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### 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 and Change Fund Policy, and the Petty Cash and Change Fund Procedure.

The South Manatee Library utilizes one change fund totaling \$220. This fund is used to provide change related to the South Manatee Library's operations. The South Manatee Library does not maintain any petty cash funds.

### Objective

The audit objectives included verifying:

- The South Manatee Library's cash fund existed and reconciled to the approved balance in ONESolution.
- The South Manatee Library was in compliance with Manatee County's Petty Cash and Change Fund Policy, and Petty Cash and Change Fund Procedure.
- The South Manatee Library's controls over cash funds were adequate.

"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

### **Scope**

All cash on hand at the South Manatee Library on the unannounced date of August 23, 2019.

### **Methodology**

The change fund was verified and reconciled to the approved balance 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 South Manatee Library staff regarding the change fund and cash receipt controls, obtaining relevant policies and procedures, and verifying compliance with the County's Petty Cash and Change Fund Policy, and Petty Cash and Change Fund Procedure.

### **Results**

*The South Manatee Library's change fund balance agreed to the amount recorded in ONESolution. Cash receipts agreed to the subsequent bank deposit and ONESolution revenue posting. Cash receipts also agreed to supporting documentation.*

We performed the unannounced cash count of the South Manatee Library's change fund and cash receipts on August 23, 2019. The change fund was reconciled to the approved balance recorded in ONESolution, and the cash receipts were reconciled to the supporting Smart Money Manager reports, bank deposit, and ONESolution revenue posting. An additional \$11.00 of cash receipts were collected after our count cutoff time of approximately 3:00pm. These funds were not included in the count and are listed separately in Exhibit A.

A summary of funds on hand as of August 23, 2019, is included in Exhibit A.

We noted the following compliance and internal control findings related to cash receipts at the South Manatee Library:

#### **Library Materials - Fines and Fees Policy**

A revised Library Materials - Fines and Fees policy was approved by the Board of County Commissioners on May 7, 2019, giving all library staff the ability to waive fines up to \$5.00 and debt collect fees of \$10.00; staff are to include their initials on the record in the Polaris system when the fine is waived. For fines being waived greater than \$5.00, the policy requires the on-duty supervisor to provide their approval and initial the record as well as the staff member.

The Library Materials - Fines and Fees policy differentiates between fines and fees. Fines include overdue fines and damaged supplies. Fees include replacement fees, processing fees, special service fees, library card fees, and other damage fees. According to Neighborhood Services Department management, the department's intent when updating the policy was to allow staff to waive both fines and fees; however, the Library Materials - Fines and Fees policy, as written, only gives staff the authority to waive fines and debt collect fees.

***Management Action Plan: Management will edit the text of the Library Materials - Fines and Fees policy to clarify that staff have the authority to waive both fines and fees up to the current approved limits. The updated policy will be submitted to the Board of County Commissioners for approval.***

Waived Fines and Fees

We tested waived fines and fees based on the Neighborhood Services Department's intent of the Library Materials – Fines and Fees policy, which was to allow staff to waive all fines and fees up to \$5.00, and fines and fees over \$5.00 with supervisory approval. We found that supervisors and staff are not consistently following this policy.

We obtained a waived fines and fees report for the South Manatee Library for the period 5/7/19 through 8/23/19, which totaled \$1,700.49. We tested 100% (47) of the waived fines and fees greater than \$5.00 that required a supervisor's approval. We found that 10 out of the 47 (21%) waived fines and fees, totaling \$120.49, were unsupported by a supervisor's initials. Additionally, a random sample of 10% (13) of all waived fines and fees was tested for evidence of staff initials; 5 out of the 13 waived fines and fees were not supported by a staff member's initials.

*Management Action Plan: According to management, a review of waived fines and fees was completed for each branch for the quarter ending September 30, 2019. Documentation supporting the review was not retained. The Library Services Manager and Assistant Library Services Manager plan to monitor compliance with the policy through subsequent quarterly reviews of waived fines and fees; these reviews will be documented.*

AMC/LJS/LP

cc: Board of County Commissioners  
Cheri Coryea, County Administrator  
John Osborne, Deputy County Administrator  
Karen Stewart, Deputy County Administrator  
Mitchell Palmer, County Attorney  
Dan Wolfson, Finance Director, Clerk of the Circuit Court

**Exhibit A**

**SCHEDULE OF FUNDS ON HAND - NEIGHBORHOOD SERVICES DEPARTMENT  
SOUTH MANATEE LIBRARY**

**As of August 23, 2019 3:00pm**

Change Fund	\$	220.00
Cash Receipts		<u>51.75</u>
<b>Total Funds - Audited</b>	<b>\$</b>	<b>271.75</b>

**Funds Collected After Audit Cutoff**

Cash Receipts	\$	<u>11.00</u>
<b>Total Funds - Collected After Cutoff</b>	<b>\$</b>	<b>11.00</b>

<b>Total Funds on Hand:</b>	<b>\$</b>	<b><u>282.75</u></b>
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