

# Unannounced Review of Cash Funds Board of County Commissioners

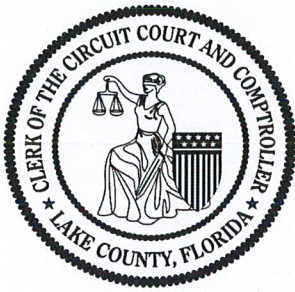
## **Inspector General Department**

**Gary J. Cooney, Clerk of the Circuit Court & Comptroller**  
**Cash Review Report**

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

Audit Conducted by:  
**Kathy Perry, CIA**  
**Inspector General Auditor II**

**Report No. BCC-212**  
**November 22, 2022**



**Inspector General Department**

**Office of Gary J. Cooney**

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November 22, 2022

Board of County Commissioners

We have conducted an unannounced cash review of the registers and petty cash funds of the multiple offices under the Board of County Commissioners, as scheduled per the Clerk's Annual Inspector General Audit Plan.

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

Respectfully submitted,

Terri W. Freeman  
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller  
Angie Holcomb, Director of Court Operations  
Jennifer Barker, County Manager  
Cari Christian, Assistant County Manager  
Glen Guzman, Director, Office of Code Enforcement  
George Taylor, Director, Office of Library Services  
Bobby Howell, Director, Office of Planning and Zoning  
Mary Ellen Stern, Executive Director, Economic Growth  
Cole Scharlau, Program Manager, Fairgrounds & Event Center

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email [fwa@lakecountyclerk.org](mailto:fwa@lakecountyclerk.org)

# Scope and Objective

As scheduled in the Clerk's Annual Inspector General Audit Plan, unannounced cash reviews were conducted in various judgmentally selected offices.

The objectives of the cash review were to:

- Determine whether the correct amount of cash is present and accounted for properly and assessed for reasonableness.
- Observe the design and execution of physical controls that minimize the risk that someone could commit a fraud or make an unintentional error without it being detected by someone else.

This engagement did not include the review of automated controls that minimize fraud risks.

The audit period was Fiscal Year 2022.

# Overall Conclusion

The following controls are functioning as intended.

- Cash was properly accounted for in 100% of the cash registers and petty cash boxes counted by the auditor.
- Cash and checks were stored and endorsed appropriately.
- Petty cash boxes contained appropriate receipts to validate any money spent.

Opportunities for improvement are included at the end of this report.

# Background

The following offices were included in the cash review:

- 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.
- Fairgrounds: A large scale venue that hosts multiple events including the weekly farmers market and the Lake County Fair.
- Code Enforcement: Responsible for enforcing compliance with Lake County's Codes and Land Development Regulations.

# Opportunities for Improvement

## 1. Segregation of duties

- a. **Fairgrounds:** The same fairgrounds staff who process receipt transactions through the register also reconcile physical count totals to register report totals at the end of the week. Without segregation of these duties, there is a risk that loss of funds would go undetected.

## 2. Cash count reconciliation

- a. **Fairgrounds:** The expected funds total on the register report is visible to the person counting the register drawer. With knowledge of what the balance should be, the person could manipulate the count to equal the report total and take cash overages without detection.

**Agreed Upon Action Plan:** Fairgrounds updated their Cash handling SOP to require the Financial Coordinator to count the register funds at the end of the week and take the deposit to the bank. After the count, the Office Associate or Program Manager and Financial Coordinator will reconcile the count balance with the report generated by Fairgrounds staff.

**Target Completion Date:** Completed