



Angelina “Angel” Colonnese

Clerk of the Circuit Court & Comptroller of Manatee County

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MEMORANDUM

To: Lee dePalo, Director, Community & Veterans Services
Tammy Parrott, Library Services Manager

From: Lori Stephens, Inspector General 

Date: March 27, 2024

Subject: Unannounced Audit of Cash Funds

The Division of Inspector General has completed an unannounced audit of cash funds of the Community and Veterans Services Department’s Palmetto Branch Library (Palmetto Library). The 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 as well as the Petty Cash and Change Fund procedure.

The Palmetto Library utilizes one change fund totaling \$140.00. This fund is used to provide change related to the branch’s operations. The Palmetto Library does not maintain any petty cash funds.

Objectives:

The audit objectives included verifying:

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

To Protect the Public Trust through Integrity and Transparency

Clerk of the Circuit Court • Clerk of the Board of County Commissioners • County Comptroller • County Auditor • County Recorder

Scope and Methodology:

The scope of the audit included all cash on hand at the Palmetto Library on the unannounced date of September 21, 2023. 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 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 Palmetto 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 Palmetto Library's change fund and cash receipts on September 21, 2023. The change fund was reconciled to the approved balance recorded in ONESolution, and the cash receipts were reconciled to supporting reports from the library's point of sale system (Magna), bank deposit, and ONESolution revenue posting.

A summary of funds on hand as of September 21, 2023, is included in Exhibit A.

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

Waived Fees

The County's Fine-Free Public Library Policy 1.1, establishes the Manatee County Public Library System (MCPLS) as a fine-free public library system. The MCPLS does not assess fines for overdue materials; however, fees are assessed for costs associated with lost or damaged materials, as well as non-resident library cards. The library uses Polaris software to assist with certain library functions, including the tracking of these fees. Library staff are authorized to waive fees in Polaris up to \$5.00, and must initial the record when a fee is waived. Approval by a branch supervisor is required for any waived fees over \$5.00, as supported by the supervisor's initials in the system. According to Library management, when a fee is waived by a supervisor, it is current practice for an additional staff member to review and initial the record. We support this practice, as involving multiple employees in the revenue process reduces the risk of fraud and error; however, the practice is not included in Policy 1.1.

We reviewed the waived fees processed by the Palmetto Library during the period January 1, 2023 – September 21, 2023. We found 7 out of 9 (78%) waived fees, ranging from \$5.99 to \$447.09, were not properly supported with a branch supervisor's or staff member's initials. See table below:

<u>Date</u>	<u>Fee waived</u>	<u>Reason for fee</u>	<u>Waived by</u>	<u>Initials by Supervisor</u>	<u>Initials of 2nd Review</u>
1/27/2023	\$ 20.00	Damaged	Supervisor	N/A	No
3/2/2023	\$ 12.99	Replacement Cost	Staff	No	N/A
5/31/2023	\$ 13.95	Replacement Cost	Staff	No	N/A
6/13/2023	\$ 10.99	Missing piece	Staff	No	N/A
6/22/2023	\$ 447.09	21 items from 10 years ago	Supervisor	N/A	No
7/27/2023	\$ 5.99	Damaged	Staff	No	N/A
8/28/2023	\$ 26.77	Replacement Cost	Staff	No	N/A

Central Library management reviews all waived fees over \$5.00 for all branches on a quarterly basis. We obtained the latest report reviewed by management for this branch (as of 9/30/23). The report documents that staff were counseled for instances where a secondary review was missing.

Management Action Plan:

Management will update the library’s policy for waived fees to align with current practices and will evaluate whether a tiered waived fee approval process would be more appropriate. Training will be provided to all branches on the new policy.

The expected implementation date is June 30, 2024.

Access to keys

All Palmetto Library staff have access to keys that can unlock the cash drawer, printer, copier, and any receipts locked up for courier pick-up. These keys are stored in a key box, along with various other keys used in library operations, which is never locked. Access to cash should be restricted to only those employees with the specific duty of handling cash, as the more individuals with access, the greater the risk. Properly securing the keys, especially outside of business hours, would provide additional protection against theft.

Management Action Plan:

The key box will be locked after hours and Library management will determine the best solution to keep the cash keys secure during daily library operations.

The expected implementation date is June 30, 2024.

Loose Change

The Palmetto Library maintains a jar of loose change at the front desk which is sometimes used to make change for the printer/copier. The funds have accumulated over time as staff finds money left around the library. This change is not being receipted, deposited, or recorded in the financial records. Although at the time of the audit the total amount of loose change on hand was only \$10.54, all cash should be accounted for at all times.

Management Action Plan:

The current contents of the change jar will be receipted and deposited immediately. Any future money found on the premises will be recorded and deposited as well. The internal procedures will be updated to address this as well as to provide

guidance on when patrons want to donate their change. Training will be provided to all branches on the new procedures.

The expected implementation date is June 30, 2024.

Printer and Copier Revenue Reconciliation

All branch libraries have printer and copier machines where patrons can pay per page to print documents using Jamex vending machines. As noted in prior library cash count audits, procedures were developed to periodically reconcile printer revenue to the supporting print counts to reduce the risk of loss due to theft or error. (At that time, there were no copier vending machines.) Each branch library submitted the printer counts to the Central Library where fiscal staff performed the reconciliations. However, during this audit we found the printer counts are no longer being reconciled to revenues, nor are copier counts reconciled to copier revenues.

Management Action Plan:

Management will re-establish procedures for this process to include obtaining print counts from all printer and copier vending equipment, and performing the reconciliations. Training will be provided to the branches on the procedures.

The expected implementation date is June 30, 2024.

LJS/BJW/GR

cc: Board of County Commissioners
Charlie Bishop, County Administrator
Christopher DeCarlo, Interim County Attorney
Andrew Butterfield, Chief of Staff
Sheila McLean, Chief Financial Officer
Lyn Begraft – Assistant Library Services Manager
Megan Robinson – Palmetto Library Branch Supervisor
Angelina “Angel” Colonnese, Clerk of the Circuit Court & Comptroller
Neil Unruh, Chief Deputy of Finance, Clerk of the Circuit Court & Comptroller
Kim Wilder, Finance Director, Clerk of the Circuit Court & Comptroller

Exhibit A

**SCHEDULE OF FUNDS ON HAND - COMMUNITY & VETERANS SERVICES -
PALMETTO LIBRARY**

As of September 21, 2023 3:30pm

Change Fund	\$	140.00
Cash Receipts		38.15
Loose Change Jar		<u>10.54</u>
Total Funds on Hand:	\$	<u><u>188.69</u></u>