



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF PETTY CASH – JURY COMMISSIONER

Report Highlights

Report Number: 2016-A-13

Date Issued: 06/21/2016

Why We Did This Audit

This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2016.

What We Found

Physical security of the Jury Commissioner's Petty Cash can be improved.

What We Recommend

A fixed safe would improve physical security.

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of the Jury Commissioner's petty cash funds. The results of that audit, our findings and recommendations for improvement are detailed in the attached report. We would like to thank the members of management for their cooperation during the audit.

The audit found cash on hand agreed to the expected amount. However, we noted that physical security could be improved to better protect the cash on site.

The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

Chrystal Brooks
County Auditor

cc: Mr. Robert Sandlass, Treasurer
Judge Angela Eaves, Administrative Judge
Ms. Cathy Valdivia, Jury Commissioner



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REVIEW RESULTS

We have focused on activity during the period of 7/1/2014 through 6/1/2016 and cash on hand on 06/01/2016. The audit approach focused on testing the key controls that address management's objectives for the process.

Our opinion, based on the evidence obtained, is physical security could be improved to better protect the cash on site. Conclusions drawn are below.

Risk	Expected Control	Conclusion
Cash could be lost or stolen	Cash is secured in a locked safe or drawer with limited access. At all times, cash on hand and receipts agree to the expected fund amount.	Needs Improvement
Purchases are not appropriate or approved	Expenditures are supported by receipts and approval documentation. Reconciliations are performed at least monthly.	Satisfactory
Procurement limits are exceeded	Purchases do not exceed \$50.	Satisfactory

Areas for improvement are described in the Findings and Corrective Actions section of this report. Management has been provided an opportunity to respond to this report. The response provided is in the Findings and Corrective Actions section below.

FINDINGS AND CORRECTIVE ACTIONS

Finding Number: 2016-A-13.01 Physical Security

Jury Commissioner Petty Cash can be better secured.

Analysis: The Jury Commissioner's office is responsible for coordinating jurors at the Circuit Courthouse and managing the payments to the jury pool. Payments are generally \$20 per day per juror.

We observed that cash is kept in a lockbox in a locked cabinet. However, the office where the lockbox is kept is a short distance from a public area. Even though the

lockbox is locked at all times, it is portable, easily concealed, and could be stolen.

A fixed, secured safe would be better storage place for the office's lockbox.

Management Response: After reviewing the findings of the audit with Judge Eaves, we have decided to purchase a secure safe which will be bolted inside the locked cabinet where the money box is currently kept. The safe shall have a combination lock and only the Jury Commissioner and two others will have knowledge of the combination.

BACKGROUND INFORMATION

PROGRAM DESCRIPTION AND KEY STATISTICS

The Jury Commissioner's Office maintains a petty cash fund for the daily payments made to the persons serving jury duty. Jurors may donate a portion or the entire payment to the Generous Jurors Fund. The Jury Commissioner's office tracks juror attendance - and thus who receives payment - using the juror attendance sheet which includes all potential system generated juror names. Each present juror signs next to his/her name. Donations made by jurors to the Generous Juror Fund require a separate signed form. The fund is reconciled by the Jury Commissioner and the Assistant Jury Commissioner twice each business day.

REVIEW OBJECTIVE, SCOPE AND METHODOLOGY

The objective of this review was to ensure that petty cash processes for the Jury Commissioner's Office are in compliance with Petty Cash policies and ensure disbursement and replenishment transactions were approved and properly accounted for. The scope of this review was limited to reviewing the controls over the Jury Commissioner's petty cash fund. The review did not include a complete evaluation of internal controls, but instead, relied on substantive testing to support conclusions. This lack of a complete review did not affect achievement of the audit objective.

The audit focused on activity during the period of 7/1/2014 through 6/1/2016. Our audit procedures included interviewing personnel, observation and testing. Specifically, we counted the cash on hand, reviewed recent payments, confirmed the outstanding reimbursements, observed physical security, and reviewed the supporting documentation for a sample of petty cash fund expenditures and replenishments.

Harford County Circuit Court management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable

laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient 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.

Audit Team:

Chrystal Brooks

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County Auditor

Brad DeLauder, CPA

Senior Auditor