



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

April 10, 2014

Honorable Members of the County Council  
Harford County, Maryland  
212 S. Bond St., 2<sup>nd</sup> Floor  
Bel Air, MD 21014

County Executive David Craig  
Harford County, Maryland  
220 S. Main St.  
Bel Air, MD 21014

Dear Council Members and Mr. Craig:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of the Sheriff's Office's Petty Cash.

The audit found cash on hand agreed to the expected amount and was appropriately secured. We have no recommendations for improvement at this time.

More detail about our audit methodology, procedures and results follows this letter. We would like to thank the members of management for their cooperation during the audit.

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

Sincerely,

*Chrystal Brooks, CPA*

Chrystal Brooks, CPA, CGFM, CIA, CISA, CGAP, CRMA  
County Auditor

cc: Ms. Kathryn Hewitt, Treasurer  
Mr. Jesse Bane, Sheriff  
Ms. Victoria Cahill, Sheriff's Office Petty Cash Custodian

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# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### AUDIT OF PETTY CASH - SHERIFF'S OFFICE

**Report Number: 2014-A-05**

Date Issued: 04/10/2014

#### **Audit Team:**

Chrystal Brooks, CPA, CIA, CGAP, CISA, CGFM, CRMA  
County Auditor

Laura Tucholski, CPA, CIA, CFE, CRMA  
Auditor

### **BACKGROUND INFORMATION**

#### **INTRODUCTION**

The department maintains a petty cash fund for reimbursing office expenses paid with cash. Requests for reimbursement require receipts and prior approval through the department's regular documented approval process. The fund is reconciled by the petty cash custodian when the fund requires replenishment.

#### **REVIEW OBJECTIVE, SCOPE AND METHODOLOGY**

The objective of this review was to ensure that petty cash processes for the Sheriff'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 department'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 June 1, 2013 through April 4, 2014. Our audit procedures included interviewing personnel, observation and testing. Specifically, we counted the cash on hand and observed physical security. In addition, we reviewed the supporting documentation for petty cash expenditures and replenishments.

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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.

## **REVIEW RESULTS**

Harford County 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.

Our procedures disclosed cash transactions were properly accounted for and transactions were supported by documentation. The petty cash funds on hand agreed to the expected amount. We observed that cash was appropriately secured and not easily accessible.

We have no recommendations for improvement at this time. Management has been provided an opportunity to respond to this report; however, none was required because there were no conditions requiring remediation. Accordingly, management did not provide a formal response.