SEMINOLE COUNTY DEPARTMENT OF LIBRARY AND LEISURE SERVICES SEMINOLE COUNTY PUBLIC LIBRARIES

CASH HANDLING PROCEDURES

February 3, 2000



MARYANNE MORSE Clerk of the Circuit Court Seminole County

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February 3, 2000

The Honorable Carlton Henley, Chairman The Board of County Commissioners, Seminole County, Florida 1101 East First Street Sanford, FL 32771

Dear Mr. Chairman:

I am very pleased to present you with the attached audit of the Seminole County Public Libraries cash handling procedures.

Management's responses have been incorporated into the final report. The corrective actions offered by management seem responsive and adequate to the conditions noted in the report.

I would like to thank the management and staff of the Seminole County Library and Leisure Services department for their cooperation and assistance throughout the course of this audit. Their assistance is deeply appreciated.

With warmest personal regards, I am

Most cordially,

Maryanne Morse Clerk of the Court Seminole County

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TABLE OF CONTENTS

In	troduction	
	Purpose	1
	Background	1
	Scope	1
_		_
Ü۱	verall Evaluation	2
Fi	ndings and Recommendations	
1.	There is no reconciliation of reports generated by the Dynix Cash Management System with actual cash deposits	 2
	Recommendation	2
	Management Response	2
2.	Cash collected for internet printouts, lost and found cash and library	2
	card replacements are intermingled with fines and fees	د د
	Management Response	
	MISHSHEHIERI RECHONCE	•

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REVIEW OF CASH HANDLING PROCEDURES

The Internal Audit Division of the Office of the Clerk of the Circuit Court has completed a limited review of cash handling procedures utilized by Seminole County Public Libraries. The director of the Department of Library and Leisure Services requested this review.

PURPOSE

The purpose of the review was to determine if cash handling procedures are adequate and operating effectively.

BACKGROUND

The Department of Library and Leisure Services is responsible for managing five library facilities throughout Seminole County. The department received approximately \$102,000.00 in fees and fines for the fiscal year ending September 30, 1999.

SCOPE OF WORK

This review focused on cash handling procedures. Specifically, we performed the following work:

- a) Testing of County Finance records to determine if deposit slips agreed with transaction analysis sheets for the period October 1, 1998 through September 30, 1999;
- b) Interviews of branch managers and respective team leaders to determine familiarity and compliance with internal procedures;
- c) Review of library user manuals to gain an understanding of the Dynix System; and,
- d) Comparison of County Finance records to library-generated management reports.

Fieldwork began October 8, 1999 and was completed on December 6, 1999. Gail Joubran performed the review.

OVERALL EVALUATION

In our opinion, the department's system of accounting and administrative control is inadequate. Significant improvement is needed over cash controls. Tests of system records indicated that internal controls do not provide a means to verify that the Dynix system is accurately or reliably reconciling the actual cash receipted.

FINDING NO. 1

There is no reconciliation of reports generated by the Dynix Cash Management System with actual cash deposits.

A comparison of the reports generated by the Dynix Cash Management System with actual cash deposits for the fiscal year ended September 1999 shows a variance of \$2,224.02 (more money receipted than deposited). This variance is unexplainable and warrants a strengthening of controls over the fiscal accounting system.

To account for all the cash, it is necessary to balance all branch receipts with total countywide library deposits. By not reconciling these two totals on a daily basis, there is no assurance that all cash physically received at the branches is properly accounted for.

Good internal controls and prudent business practices require that controls be established to reconcile cash deposits.

Recommendation

- Purchase of the add-on software, electronic carbon receipt, marketed by Dynix. This feature allows for tracking of all transactions that are paid, waived or refunded. It also permits a user to print those transactions for any date or time frame on a library by library basis; and,
- 2. Once this add-on feature is installed, we recommend that each branch make daily cash reconciliations.

Management Response

Management concurs. The electronic carbon receipt software is not currently budgeted in the Library Services Division. If necessary, funds will have to be requested from the General Fund Contingency for this purpose.

Operator keying errors best explains the variance of \$2,224.02 for Fiscal Year 1999/98.

FINDING NO. 2

Cash collected for internet printouts, lost and found cash and library card replacements are intermingled with fines and fees.

Cash collected for internet printouts, lost and found cash and library card replacements are receipted as fines and fees. Therefore, total fines and fees shown in the cash register will always be higher than reported on the Dynix System.

Recommendation

We recommend that all lost and found monies, charges for internet printouts and charges for replacement library cards be keyed in under a miscellaneous code.

Management Response

Management concurs. All cash registers have an "Other "key that can and will be used for this purpose.