

CITY OF CORPUS CHRISTI

City Auditor's Office

May 15, 2015

Honorable Mayor and Council Members:

SUBJECT: CA15-001 Municipal Court Administration Cash Count

We have completed the audit report of the Municipal Court Administration Cash Count which includes responses to issues identified. The audit report will be presented and discussed in a future Council Audit Committee Meeting. Municipal Court should be commended for its cooperation and assistance during this audit.

The City Auditor's Office is available to discuss this report with you individually at your convenience.

Respectfully submitted,

Arlena Sones, CPA, CIA, CGAP
City Auditor

Distribution:

Ron Olson, City Manager
Susan Thorpe, Assistant City Manager
Kimberly Jozwiak, Director of Municipal Court
Miles Risley, City Attorney
Rebecca Huerta, City Secretary
Kim Womack, Director of Communications, Media Relations & E-Government



City of
Corpus
Christi

**CA15-001
Municipal Court Administration
Cash Count**

**City Auditor's Office
Arlena Sones, CPA, CIA, CGAP
City Auditor**

May 15, 2015

Executive Summary

As part of our annual Audit Plan, we conducted an unannounced cash count of Municipal Court Administration.

We found cash to be intact and the cash on hand matched the amounts recorded in the general ledger with the exception of a surplus in the petty cash fund.

Management of Municipal Court Administration agrees with this report. See responses in Appendix A.

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Municipal Court Administration Cash Count

Background

The City Auditor's Office conducted an unannounced cash count of Municipal Court Administration.

Statutory Authority and Municipal Guidelines

In conducting our audit, we relied on the following authoritative guidelines to serve as criteria for the audit:

- City Policy F-4.0, Petty Cash Funds

Audit Objective, Scope and Methodology

The audit objective is to determine the existence and completeness of the cashier change fund and petty cash fund assigned to Municipal Court Administration and to determine if the cash on hand matches the amounts recorded in the general ledger. We did not review internal controls on cash handling.

Our scope of work included a cash count of the twelve cashier drawers including the day's revenue, one change drawer, and one petty cash drawer on April 8, 2015. We obtained the amounts recorded in the general ledger and compared them to the cash on hand.

We relied on general ledger data from the City's financial system of record, Infor, to obtain the change fund and petty cash fund amounts; however, we did not audit the system's general or application controls. We do not believe our lack of testing system controls affected the outcomes of this report.

This audit report provides independent, objective analysis, recommendations, and information concerning the activities reviewed. The report is a tool to help management discern and implement specific improvements. The report is not an appraisal or rating of management.

City management is responsible for establishing and maintaining a system of internal controls to ensure assets are safeguarded, financial activity is accurately reported and reliable, and management and their employees are in compliance with laws, regulations, and agreements with other entities.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our

audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives.

Audit Conclusion

The cash on hand matched the amounts recorded in the general ledger with the exception of a surplus in the petty cash fund.

Staff Acknowledgement

Jacey Reeves, Auditor
Sarah Arroyo, Senior Management Assistant

Audit Results and Recommendations

A. Change Fund Intact

The change fund was found to be intact.

Recommendation:

None

B. Inactive Petty Cash Fund

The petty cash fund contained a surplus of \$12.66, and the petty cash custodian stated that the petty cash fund had been inactive for over ten months.

City Policy F-4.0, Petty Cash Funds, states that “Petty cash accounts that are dormant or inactive for a period of one fiscal year will be closed.”

Recommendation:

Management should:

1. Return the full amount of the petty cash fund, including surplus, to the Financial Services Department and continue to use the City’s procurement card program.
2. Conduct refresher training for their cash handlers in reporting overages and shortages.

<i>Agree/Disagree</i>	<i>Responsible Party, Title</i>	<i>Completion Date</i>
Agree	Terry Teri and Laura Garza	5/8/2015
<i>Action Plan:</i> <ol style="list-style-type: none">1. As the need for the Petty Cash Fund is obsolete, Terri Teri, MC Admin. Assistant Director, will contact the appropriate representative for the City’s Financial Service Department to request the applicable process requirements to comply with this recommendation.		

2. Laura Garza, MC Supervisor, will implement refresher training for the cash handlers with regard to reporting overages and shortages.

Appendix A - Management Response



April 30, 2015

Arlena Sones, CPA, CIA, CGAP
City Auditor
Corpus Christi, Texas

Re: CA15-001 Municipal Court Administration Cash Count

We have carefully reviewed the issues presented in the audit report referenced above, and our plans to correct the issues are described on the following pages.

We are committed to correcting the issues in the audit report by implementing the action plans in a timely fashion.

MUNICIPAL COURT

120 N. Chaparral
Corpus Christi, TX 78401
Phone 361-886-2500
Fax 361-886-2560
www.cctexas.com

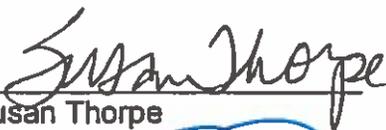
Sincerely,



Kimberly Jozwiak
Director

4/30/15

Date



Susan Thorpe
Assistant City Manager

5/4/15

Date



Ron Olson
City Manager

5 May 2015

Date



Appendix A - Management Response



**City of
Corpus
Christi**

MUNICIPAL COURT

120 N. Chaparral
Corpus Christi, TX 78401
Phone 361-886-2500
Fax 361-886-2560
www.cctexas.com

A. Change Fund Intact

Recommendation:
None

B. Inactive Petty Cash Fund

Recommendation:
Management should:

1. Return the full amount of the petty cash fund, including surplus, to the Financial Services Department and continue to use the City's procurement card program.
2. Conduct refresher training for their cash handlers in reporting overages and shortages.

<i>Agree/Disagree</i>	<i>Responsible Party, Title</i>	<i>Completion Date</i>
Agree	Terry Teri and Laura Garza	5/8/2015
Action Plan:		
<ol style="list-style-type: none"> 1. As the need for the Petty Cash Fund is obsolete, Terri Teri, MC Admin. Assistant Director, will contact the appropriate representative for the City's Financial Service Department to request the applicable process requirements to comply with this recommendation. 2. Laura Garza, MC Supervisor, will implement refresher training for the cash handlers with regard to reporting overages and shortages. 		

