



Date: 1/16/15

Auditors Comment: *This report has been modified from its original version to address public safety concerns. These concerns were discussed with Management.*

Objectives:

- Are sufficient Controls in place over cash transactions?
- Are sufficient Controls in place over the recording of transactions?

Examined: Cash Receipts and the Transactions that occurred between 1/1/14-12/31/14 as well as the Policies and Procedures regarding Cash Handling.

Cash Receipts:

The Probation Department has a very comprehensive Policy and Procedure manual, which includes a section on “Issuing Receipts for Money Collected”. This policy outlines custody of triplicate receipt books, when money is to be turned in by a probation officer, and what to do if a receipt book is lost.

We designed and preformed test to test all aspects of this policy for compliance and weakness's.

We questioned 7 probation officers about how they handle cash. Only the answers to the questions of “how often do you turn in money collected?” were not in line with the policy. Probation Officers answers ranged from daily to a few times a month usually after a report is taken, where the policy says, “...*The yellow copy will be given, with collected funds, to the senior account clerk or her designee on the day collected or the next business day...* ”.

During our review of active and completed receipt books we noted that part of the policy was not being followed. The policy states, “...*The yellow copy will be given, with collected funds, to the senior account clerk or her designee on the day collected or the next business day. Upon receipt the account clerk will initial and date the pink copy. The pink copy is to remain intact in the book and will be retained by the staff member who was assigned that book. ...* ” During our testing of 700 receipts in 14 receipt books (5 active and 9 completed) we did not locate the account clerk's or a designee's signature and date on the pink copy.

Though it is not noted in the Policy and Procedure Manual some issues of concern are users did not press hard enough for the triplicate receipts to be legible. We also found

instances where receipts were not signed, or the signature of the person receiving the money appeared to be different than the rest of the signatures in the book. There were very few occurrences of these and they were shared with management.

Recommendation:

- 1) Money collected by probation officers should be remitted to the Account Clerk by the next business day.
- 2) The Account Clerk should initial and date the pink copy of the receipt when the funds are received as per policy. Further this would allow for testing of how long Probations Officers are holding on to funds from the date they are collected to the date they are turned in.

Transactions:

Due to the volume of transactions that are processed for fees and restitution that is collected by the probation department, we designed and performed test to ensure that transactions are recorded in the proper accounts.

We found no transactions that were not posted to the correct account.

The program used by the Probation Department prints out a change log that is reviewed by the Director of Probation to ensure that any changes to transactions are justified. We found that the Director does in fact do this and this practice should be continued.

Management Response:

(The Probation Director emailed the following response)

Patrick,

Thank you for sharing your audit report. Your observations and recommendations are well founded and I have taken and will continue to take steps to implement. I have addressed, with all staff that receive funds form P.O.'s, the need to initial and date pink copies of receipts after receiving and verifying amounts from the Officers. Additionally, I will discuss with staff the need to use a ball point pen so as to make all copies legible. Staff will be reminded of policy to turn in money collected the day of collection or the next business day. If the staff, for any reason, can not meet those timeframes they will need to have authorization from their Supervisor, the Deputy Director or myself. Again, I thank you for the time spent auditing Probation records and practices and welcome any additional audits you deem necessary.

Rick

Patrick Schmitt

County Auditor

1/23/15