



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF EMMORTON RECREATION AND TENNIS CENTER'S PETTY CASH

Report Highlights

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 FY2020.

What We Found

We noted that controls are adequate over the Emmorton Recreation and Tennis Center's petty cash fund.

Report Number: 2020-A-03

Date Issued: 07/19/2019

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Emmorton Recreation and Tennis Center's (ERTC) petty cash funds. The results of that audit and our findings 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 and was appropriately secured. We have no recommendations for improvement at this time.

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

Sincerely,

Chrystal Brooks, CPA

Chrystal Brooks
County Auditor

cc: Mr. Robert Sandlass, Treasurer
Ms. Kathy Burley, Director of Parks and Recreation
Ms. Darlene Zahner, ERTC Petty Cash Custodian



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REVIEW RESULTS

We have audited Emmorton Recreation and Tennis Center's petty cash fund for the period of 07/01/2018 through 06/30/2019 and cash on hand as of 07/15/2019. Our opinion, based on the evidence obtained, is that controls are adequate to ensure petty cash is appropriately secured, used, and reconciled. The audit approach focused on testing the key controls that address management's objectives for the process. 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.	Satisfactory
	At all times, cash on hand and receipts agree to the expected fund amount.	Satisfactory
Purchases are not appropriate or approved	Expenditures are supported by receipts and approval documentation.	Satisfactory
	Reconciliations are performed at least monthly.	Satisfactory
Procurement limits are exceeded	Purchases do not exceed \$50.	Satisfactory

Management has been provided an opportunity to respond to this report; however, none was required because there were no conditions requiring remediation.

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

The Emmorton Recreation and Tennis Center (ERTC) maintains a petty cash fund for the purpose of making change for the facility's customers. Customers can pay on site for concession items, tennis court rentals, facility memberships, and tokens for the batting cages. The cash on site is counted twice daily when custody of the funds is transferred from the day cashier to the night cashier and again when the night cashier performs close out procedures. Petty cash reimbursements are prepared by the petty cash custodian and submitted to Treasury frequently. The petty cash fund is not used to pay for any operating expenses.

The objective of this review was to ensure that petty cash processes for ERTC 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 ERTC'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 07/01/2018 through 06/30/2019. Our audit procedures included interviewing personnel, observation and testing. Specifically, we counted the cash and receipts on hand and reviewed the supporting documentation for each petty cash expenditure and replenishment. The cashier system, Capture Point, controls were reviewed during a prior audit without finding any issues. Accordingly, we relied on the cashier system's output reports to confirm the expected cash on hand. Our review confirmed cash on hand at a specific point in time.

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.

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:

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County Auditor

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