



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF PETTY CASH – HAVRE DE GRACE SENIOR CENTER

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 FY2022.

What We Found

We noted that controls are adequate over the Havre de Grace Senior Center's petty cash fund.

Report Number: 2022-A-05

Date Issued: 07/16/2021

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Havre de Grace Senior Center's petty cash fund. The results of that audit, our findings and recommendations for improvement 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. Amber Shrodes, Director of Community Services
Ms. Karen Winkowski, OOA Administrator
Ms. Lauretta Schatz, HDG Senior Center Petty Cash Custodian



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REVIEW RESULTS

We have audited the petty cash fund of Havre de Grace Senior Center for the period of 07/01/2020 through 06/30/2021 and cash on hand as of 07/14/2021. Our opinion, based on the evidence obtained, is controls are adequate to ensure that 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. Reconciliations are performed at least monthly.	Satisfactory
Procurement limits are exceeded	Purchases do not exceed \$50.	Satisfactory

Although none was required, Management has been provided an opportunity to respond to this report; accordingly, no response was provided.

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

Havre de Grace Senior Center – along with all Harford County's Senior Centers – fall under the direction of the Office on Aging, within the Department of Community Services. Generally, Senior Center coordinators use a ShopRite House Account (credit card) to pay for expenses. Occasionally, the centers have the need to make change for members (e.g., bus fare), requiring use of the petty cash fund. Receipts for both petty cash and ShopRite purchases are sent to the Office on Aging for review, reconciliation and fund replenishment. Petty cash custodians reconcile the fund at least once per month regardless of the need for replenishment.

The objective of this review was to ensure that petty cash processes for the Havre de Grace Senior Center 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 this 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 07/01/2020 through 06/30/2021. Our audit procedures included interviewing personnel, observation and testing. Specifically, we observed physical security, counted the cash and receipts on hand, reviewed recent payments, confirmed the outstanding reimbursements, and reviewed the supporting documentation for each petty cash expenditure and replenishment. For this fund, there were no expenditures or replenishments during the audit period.

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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Tahlia Ward
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