

Forsyth County

INTERNAL AUDIT REPORT

**REVIEW OF OPERATIONS FOR
FORSYTH COUNTY
COOPERATIVE EXTENSION SERVICE**

56-17-FU02

MAY 16, 2017

(original report date: September 6, 2016)

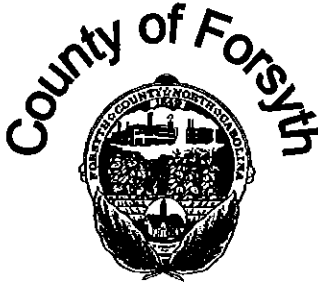
**Internal Audit Division
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INTERNAL AUDIT MANAGER

May 16, 2017

Mr. Dudley Watts, County Manager:

A Follow-Up Review of operations for Forsyth County Cooperative Extension Service has been completed. The original review was completed on September 6th, 2016 and was limited to the areas of cash receipts, procurement activities, capital assets, grants, and timekeeping.

This Follow-Up Review looked at Opportunities to Improve cited in that original review. Based on follow-up test work, Internal Audit concludes that the Department operations in the aforementioned areas are satisfactory. Corrective actions have been taken and procedures changed where applicable.

It was once again a pleasure to work with the CES staff during the review, specifically Mr. Mark Tucker and Ms. Kathryn Hepler. Their cooperation in completing this Review was appreciated.

Sincerely,

M. Brandon Branscome
Internal Audit Manager

Enclosure

- cc: Mr. Mark Tucker, FC-CES Director
- Mr. Paul L. Fulton Jr., Chief Financial Officer
- Ms. Terri L. Goodman, Deputy Chief Financial Officer
- Ms. Carla Holt, Clerk to Board of County Commissioners
- Mr. J.B. Lagnie, Internal Audit

Summary reports were provided to the Board of Commissioners:

- Mr. David R. Plyler, Chairman
- Mr. Don Martin, Vice-Chairman
- Mr. Fleming El-Amin
- Mr. Ted Kaplan
- Mr. Richard V. Linville
- Ms. Gloria D. Whisenhunt
- Mr. Everette Witherspoon

**Forsyth County Internal Audit
Follow Up Summary Report
Cooperative Extension Service
May 16, 2017**

Internal Audit recently completed a follow up review to the audit report issued on September 6th, 2016 regarding the operations for Forsyth County Cooperative Extension Service (FCCES).

Follow Up Objectives

The objectives of the follow up were to determine if the agreed upon management actions had been implemented and to determine if the action undertaken by Forsyth County Cooperative Extension Service appears to be adequate.

Follow Up Evaluation

Report Item – Cash Receipts & Petty Cash – The original review found:

Cash receipts segregation of duties appears to be adequate. However, deposits appear not to be made in a timely manner and in accordance with G.S. 159-32. Also, bank deposits are not reconciled with the receipt books.

During its review, Internal Audit found out that Conservation of Natural Resources' petty cash fund has not been closed when the former department "merged" with the Cooperation Extension Service.

Internal Audit Follow-Up Review:

A new sample of cash receipt entry forms was traced through the whole posting process and no exception has been found.

The Department seems to have taken appropriate actions to comply with G.S. 159-32.

FCCES also took the initiative to return the Conservation of Natural Resources' petty cash fund on 9/1/2016.

Additionally, in the weeks leading to this follow-up review, the Finance Department has inquired about a petty cash fund which was no longer in use and unknown to the current staff of the Cooperative Extension Service. The aforementioned fund was originally set up in 2001 for use at the Tanglewood Arboretum and has been inactive at least since year 2009. The Cooperative Extension Director has instructed the Finance Department to close the account using funds (\$100.00) from the Agricultural Assistance fund.

Report Item – Fixed Assets – The original review found:

Fixed assets appear to be maintained adequately by the Department. Since merging with the Conservation of Natural Resources (CNR), the Department also has to maintain a separate list of capital assets including agricultural land development rights.

The list of assets within Performance (CNR) has the same description for different items and / or incomplete descriptions making it confusing and cumbersome to reconcile to the Department's records.

Internal Audit Follow-Up Review:

The Department is proactive in managing its fixed assets and their descriptions in Performance. The latest information available (FY17) has been given to the Finance Department for update.

Report Item – Grants – The original review found:

Forsyth County Cooperative Extension Service operated FY15 under four (4) grants. As per Performance, two (2) different grants were aggregated under the same OCA code.

Separate OCA codes ensure that systems like Performance provide clear information to all involved parties to allow them to comply with both GAAP (Generally Accepted Accounting Principles) and grant requirements.

Internal Audit Follow-Up Review:

As per Performance (data from FY17), the separation of OCA codes for grant awards is satisfactory. The Department appears committed to pursue its effort in the future.

Conclusion

Forsyth County Cooperative Extension Service appears to have taken action on the agreed upon management actions discussed in the original audit report issued on September 6th, 2016.

Overall, the actions undertaken by the Department appear to be satisfactory.

End of Report