



Columbus Consolidated Government

Georgia's First Consolidated Government

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Final Report

Transition Audit of Cooperative Extension Service

February 4, 2013

AUDIT AUTHORIZATION

Mayor Tomlinson requested a transition audit of the Cooperative Extension Office and it was approved in Resolution # 357 -12 on December 11, 2012 by City Council.

BACKGROUND/HISTORY

A transition audit of the Cooperative Extension Service was performed due to the retirement of CEC/Director JoAnn Cavis. The scope of the audit included a review and verification of the fixed assets of the Cooperative Extension Service, the review of compliance with prescribed operating procedures, and the maintenance and reconciliation of program bank accounts for calendar year 2012. Such audits are routinely performed when elected officials, executives, or department heads terminate their employment or service with the Columbus Consolidated Government.

A. FIXED ASSETS

COMPLAINT/ISSUE

Are all fixed assets assigned to the Cooperative Extension Service accounted for based on listings provided by the City's Accounting Division?

AUDIT PROCESS

The audit process consisted of requesting a copy of the fixed asset listing for the Cooperative Extension Service from the City's Accounting Division Finance Department. Listed items are physically verified by the auditor.

FINDINGS

The fixed asset listing did not reflect any items as the department does not have any asset items with a value exceeding the City's asset capitalization threshold.

RECOMMENDATIONS

None.

MANAGEMENT RESPONSE

None.

B. CASH

COMPLAINT/ISSUE

Are all cash funds assigned to the Cooperative Extension Service accounted for?

AUDIT PROCESS

The Internal Auditor reviewed the cash receipts and disbursements of the department to determine that all funds received and disbursed each month are properly recorded and reconciled. Revenues were tested to ensure that the fees collected were consistent with those authorized for such services by the University of Georgia and expenses were appropriate and related to the services rendered by the department or necessary to maintain the qualifications for professional staff as required by the University of Georgia.

Program requirements also require that an independent auditor review the internal controls related to cash handling and accounting and that such auditor issue a report on an annual basis to the District Director.

AUDIT FINDINGS

Revenues generated equaled the number of services rendered as multiplied by the standard fee for each service. Expenses were deemed consistent with services rendered and those necessary to maintain the programs. The program bank accounts are reconciled on a regular basis; however, the reconciliations are not always signed by the Director. Revenues and Expenses are required by the UGA Cooperative Extension Service to be maintained on a shared Quick Books on-line program. All funds were so done, except the Family and Consumer Science Program, which Ms. Cavis maintained in a manual ledger system. This variance had been accepted by the UGA Cooperative Extension District Director for several years. All check registers did not reflect a running balance of the cash on-hand to facilitate cash management and the reconciliation process.

In one instance, we noted that like program in a surrounding county supervised by this office, had applied for a separate Employer Identification Number (EIN) rather than operate using the same number of the affiliated program.

A bank account exists for a now defunct program that no longer has purpose. Its surplus funds can be transferred to the Family and Consumer Science program that provides similar services.

The last annual audit report was issued by Mr. Roger Segrest, CPA following the end of 2008, covering the years of 2007 and 2008. As noted above, such audit is required on an annual basis.

RECOMMENDATIONS

It is recommended that all funds be reconciled on a monthly basis and that all funds be accounted via the online Quick Books program, with monthly review by the Department Director and the Regional Director of Cooperative Extension Services.

It is recommended that a running balance of the cash on hand for each bank account is maintained in the check register to facilitate cash management and the bank statement reconciliation project.

It is also recommended that an independent audit be conducted on an annual basis, as prescribed by UGA Cooperative Extension Policies and Procedures.

MANAGEMENT RESPONSE

The Department's Interim Director agrees to review such funds on a periodic basis and ensure that all funds are accounted in the online Quick Books system and that annual audits will be performed as required.

The Interim Director has requested that Ms. Cavis closed the bank account for the defunct program and deposit such funds into the Family and Consumer Science bank account.

John D. Redmond
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2/04/13
Date