

**Office of the
Executive Director**

Audit Report No. ED0108

August 20, 2008



**MENTAL HEALTH MENTAL RETARDATION
AUTHORITY OF HARRIS COUNTY**

Internal Audit Report

AUDITOR'S REPORT

Office of The Executive Director

Harris County, Texas

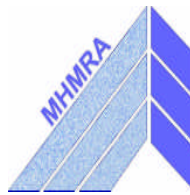
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Henry E. Webb, CFE

Internal Auditor





MENTAL HEALTH MENTAL RETARDATION
AUTHORITY OF HARRIS COUNTY

August 20, 2008

Steven B. Schnee, Ph.D.
Executive Director
MHMRA of Harris County
7011 SW Freeway
Houston, TX 77074

Re: Office of Executive Director
Unannounced Petty Cash Audit - Unit #1101

Dear Dr. Schnee:

The Internal Audit Department has completed an unannounced petty cash audit of the \$300 Petty Cash Fund for the Office of the Executive Director, Unit #1101 for the period ended July 29, 2008.

The review was designed to assist management with the assessment of the adequacy of internal controls related to the issuance, use, and control of the petty cash process. Additionally, the financial audit evaluated compliance with MHMRA Policy and Procedure **BUS-F/B: 16.1-16.3**.

Based on the results of the work, there were no examples of non-compliance with **BUS-F/B: 16.1-16.3**. Accordingly, it was concluded that the controls over the use of petty cash provide management with reasonable assurance that the fund is adequately safeguarded, disbursed, and replenished in compliance with **BUS-F/B: 16.1-16.3**.

Internal Audit appreciates the cooperation extended by personnel during the course of the audit.

Respectfully submitted,

_____-S-_____
Henry E. Webb, CFE, Internal Auditor

_____-S-_____
Michele L. Johnson, MPA, Staff Internal Auditor

Cc: Rose Childs, MSW, CSWM, Deputy Director, Mental Health Division
Kenneth Collins, LMSW, Deputy Director, Mental Retardation Division
Barbara Dawson, MSE, Deputy Director, Comprehensive Psychiatric Emergency Program Division
Daryl Knox, MD, Medical Director, Comprehensive Psychiatric Emergency Program Division
Sarah Flick, MD, Medical Director, Mental Retardation Services
Sylvia Muzquiz, MD, Medical Director Mental Health Services
Jeanne Mayo, MS, JD, General Counsel
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Tom Hamilton, Ph.D. (Chairman)
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CONTENTS

LETTER OF TRANSMITTAL I
SCOPE AND PURPOSEIII
CONCLUSIONIII

SCOPE AND PURPOSE

Internal Audit has completed an audit of the \$300 Petty Cash Fund Unit #1101, for the period ended July 29, 2008. The objective was to assist management with the assessment of the adequacy of internal controls related to the petty cash process. Additionally, the audit evaluated compliance with MHMRA Policy and Procedure **BUS-F/B: 16.1 – 16.3**.

The scope of the work did not constitute an evaluation of the overall internal control structure of the unit. The examination was designed to evaluate and test compliance with procedures and adequacy of the internal controls related to the petty cash fund. This was a financial related audit executed in accordance with generally accepted government auditing standards (GAGAS).

Unit management is responsible for establishing and maintaining a system of internal controls to adequately safeguard assets in relation to the use of cash, which is an integral part of the unit's overall internal control structure. The objectives of a system or plan are to provide management with reasonable, but not absolute assurance that the organization's usage of petty cash is adequately controlled, and used in accordance with administrative procedures and is safeguarded against loss.

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected in a timely manner. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

CONCLUSION

Based on the results of the audit, Internal Audit concluded that internal controls over the use of Petty Cash Fund – Unit #1101, are adequate to provide management with reasonable assurance that this fund is adequately safeguarded, disbursed and replenished in compliance with Policy and Procedures **BUS-F/B: 16.1 – 16.3**.

_____-S-_____
Henry E. Webb, CFE
Internal Auditor

_____-S-_____
Michele L. Johnson, MPA
Staff Internal Auditor