

**SOUTHWEST CLINIC – UNIT #2115**

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**Unannounced Petty Cash Audit**

**Audit Report No. SWC0108**

**February 1, 2008**



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

**Internal Audit Report**

**AUDITOR'S REPORT**

**Southwest Clinic**

**Unit #2115**

**Unannounced Petty Cash Audit**

**Harris County, Texas**

**Internal Audit Report**

**February 1, 2008**

**Henry E. Webb, CFE**

**Internal Auditor**





MENTAL HEALTH MENTAL RETARDATION  
AUTHORITY OF HARRIS COUNTY

February 1, 2008

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

Re: Southwest Clinic  
Unannounced Petty Cash Audit - Unit #2115

Dear Dr. Schnee:

The Internal Audit Department has completed an unannounced petty cash audit of the \$200 Petty Cash Fund for the Southwest Clinic, Unit #2115 for the period ended January 31, 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 significant 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,

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Henry E. Webb, CFE, Internal Auditor

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Michele Johnson, 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  
Audit Committee:  
Tom Hamilton, Ph.D. (Chairman)  
Jane B. Cherry  
Paige M. Cokinos  
Charles O. Buckner, CPA  
Vicki S. Raynold, CPA  
Bob Borochoff

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**SCOPE AND PURPOSE**

Internal Audit has completed an audit of the \$200 Petty Cash Fund Unit #2115, Southwest Clinic, for the period ended January 31, 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 #115, Southwest Clinic are adequate and 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 Johnson  
Staff Internal Auditor

