

Report Highlights

Central Cashiering Revenue Performance Audit February 2019



In Fiscal Year (FY) 2018, Financial Management's Central Cashiering Section processed over \$436 million in various types of City revenue, which included payments from the public for services such as utility bills, parking citations, and business licenses, as well as departments' revenue deposits.

Main Audit Takeaway: While Central Cashiering has some controls in place, there are areas where controls could be improved to safeguard revenue and reduce risk for fraud, such as theft.

Key Findings

Physical Security & Surveillance:

- Cash, checks, and keys to safes and cash drawers are not always secured. We observed \$271,000 in unendorsed checks left out on an employee's desk while the employee was away.
- Processes such as sorting mail, preparing deposits, and counting cash are not always performed in view of a security camera.



Dual Custody:

- Mail-in payments are not sorted in dual custody or logged for tracking purposes.
- A daily secondary count is not conducted, and only one person is responsible for the \$4,500 change fund.

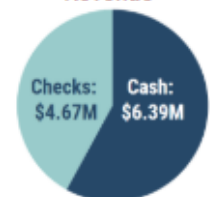


System Access & Staff Training:

- Employee system access privileges are inappropriate or unnecessary.
- Staff do not receive annual training on revenue-handling controls, such as dual custody and segregation of duties.



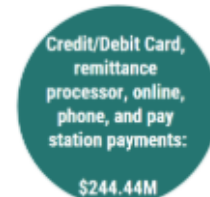
Central Cashiering Revenue FY 2018 Cashier Window Revenue



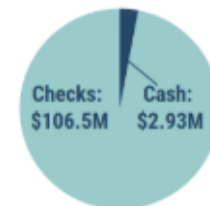
Mail-in Payment Revenue



Electronic Payment Revenue



Departmental Revenue



CITY AUDITOR'S RECOMMENDATIONS:

- Provide specific work areas for mail-sorting, deposit preparation and cash storage; and ensure that each work area is monitored by camera surveillance.
- Require dual custody to sort mail-in payments.
- Require change fund cash to be verified daily by a second party.
- Remove system access for employees who do not need it.
- Provide staff with annual revenue-handling training.

FINANCIAL MANAGEMENT DEPARTMENT'S RESPONSE:

Management agreed with all 15 audit recommendations, stating that many were implemented during the audit, which included: lock boxes for unendorsed checks, corrections to system access privileges, daily secondary count of the cash change fund, and revenue-handling training available Citywide.



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