



Inspector General Insights

Background: Unannounced cash audits are performed by the Office of Inspector General (OIG) on a routine basis to ensure controls are in place to prevent and detect fraud or financial misstatements.

Objective: The objective of the unannounced cash audit included the following:

1. Consider agency inherent risks, including fraud risks, related to cash controls.
2. Obtain an understanding of internal controls over cash.
3. Assess the risks and controls inherent to the cash receipts process.

Scope/Methodology: All satellite office cash drawers and change drawers as recorded by the Clerk's Accounting office in the July 2022 imprest funds reconciliation were included in scope. Two out of eight (25%) satellite office locations were selected to conduct unannounced cash counts onsite.

The OIG conducted surveys and performed control substantive tests through onsite walkthroughs regarding cash receipts, deposits, cash drawers, change drawers, safes, and the security environment. We also performed analytical reviews of system interface transactions from 8/5/21 to 8/4/22.

Observations: The OIG noted one cash drawer that was over by \$0.10. All other cash drawers and change drawers were in balance at the time of the audit. Clerks were well-trained on cash receipt processes. The OIG worked with management to document 14 primary controls supporting three key process objectives related to the cash receipt process.

In reviewing the adequacy of internal controls, the OIG noted one high risk control deficiency, which was immediately corrected by management. In addition, the OIG has made two medium risk and six low risk control enhancements.

Recommendations & Actions: The OIG will be working with management to implement these eight medium and low risk action plans. Implementation of these action plans will enhance internal control effectiveness related to cash receipt safeguarding and recording. Specifics of the controls are not included in the public report for security reasons; full details were shared with management.

Conclusion: Cash receipt internal controls at the Clerk's satellite offices are designed and operating effectively to provide reasonable assurance that employee job duties are properly segregated, cash is safeguarded and controlled properly, and that cash receipts are booked completely and accurately.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
17,024	\$ 275,849,029.86	N/A	N/A	9