



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 Domestic Animal Services (DAS) cash drawers, change drawers, and petty cash as recorded by the Clerk's General Accounting Office June 2022 Imprest Funds reconciliation were included in scope. The Davis Boulevard DAS location was the only operating site at the time of review.



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

Observations: During our onsite review, we noted that one cash drawer was over by \$458 at the time of the audit. Management determined that the variance was due to a cash transaction that was processed as a credit card transaction. The error was immediately fixed through a journal entry.

While reviewing control documentation, IG issued 12 additional control observations (see "Observations" list below) requiring management responses or action plans.

Recommendations & Actions: OIG worked with DAS and BCC IT to resolve 2 action plans. Due to limited resources, OIG transferred the remaining 10 audit observations to the BCC Internal Controls team to work with DAS management in obtaining responses and following up on action plans.

Conclusion Based on our initial review, cash receipt internal controls at the DAS were not working 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.

Observations

1 - System Access Review (Control Gap – High Risk)

IG noted that 28 users had the 'SUPER 1' administrative role, which is excessive. Administrative roles should only be provided to those requiring access to perform their duties.

Management Response: Agreed. CIT immediately reviewed and limited access.

2 – Unannounced Cash Audit (Control Gap – Medium Risk)

DAS staff was unable to locate any documentation evidencing an unannounced cash audit conducted by the manager when requested by IG staff on 10/27/2022. Unannounced cash counts should be performed by management periodically.

Management Response: Agreed. Cash Audit forms are being saved in the imprest funds audit folder in the DAS shared drive.

3 – System Role/Permission Review (Control Gap – Medium Risk)

The user role and permissions were not reviewed. Role access should be reviewed periodically by management to ensure proper segregation of duties.

Management Response: Agreed. Roles and permissions have been reviewed by management teams and revised to ensure access has been properly limited.

4 – DAS Building Keys (Control Deficiency – Medium Risk)

IG confirmed with the Shelter Operations Manager on 10/21/22 that the keys to the building external doors were not stamped to prevent duplication.

Management Response: Agreed. External Key Doors have all been stamped with "Do Not Duplicate".

5 - Cash Drawer Close Oversight (Control Enhancement Recommendation – Medium Risk)

While reviewing the daily deposits, IG noted the preparer and the approver of deposit to be the same person.

Management Response: Agreed. Deposits prepared by cashiers and reviewed by administrative staff afterwards.

6 – Petty Cash Reconciliation (Control Gap – Low Risk)

The petty cash reconciliation was not being completed on a quarterly basis per Imprest Fund policy. Initially the cash box was short \$13.75. Replenishment receipts were later provided; however, IG noted the receipts were over 1 year old.

Management Response: Agreed. DAS no longer carries petty cash.

7 – Safe Combination Safeguarding (Control Deficiency – Low Risk)

On 10/21/22 IG requested to see the contents of the safe and noticed that staff had the combination to the safe on their personal iPhone. Safe combinations should be stored in a secured shared folder online.

Management Response: Agreed. This has been prohibited and stated in the cash handling procedures.

8 – Unlocked Change Bag (Control Deficiency – Low Risk)

While onsite on 9/20/22, IG reviewed the contents of the safe and noted that the \$100 change bag was not locked. Per the cash handling procedures, access should be restricted. As a mitigating factor, employees do have access to the top portion of the safe where the change bag is stored.

Management Response: Agreed. All cash drawers are locked while in safe or in use by a cashier.

9 - Cash/Change Drawers Not Labeled (Control Enhancement Recommendation – Low Risk)

IG noted that the cash and change bags are not labeled with the assigned cash drawer number tracked by Finance.

Management Response: Agreed. Cash bags and drawers were labeled upon notification.

10 – Inaccurate Procedures (Control Enhancement Recommendation – Low Risk)

IG noted that cash handling procedures include Immokalee location procedures which has been closed since 2019. Other discrepancies were also noted and discussed with the Shelter Operations Manager.

Management Response: Agreed. New cash handling procedures have been established.

11 – Security Camera Angle (Control Enhancement Recommendation – Low Risk)

Security cameras in the lobby and intake areas are not properly aligned to provide an adequate view of the cash drawers or safe.

Management Response: Agreed. Safe now has camera facing and out of access area, designated counting area in the lobby assigned.

12 – Security Alarms Ineffective (Control Enhancement Recommendation – Low Risk)

Due to recent renovations, the alarm buttons are not under the cashier counter.

Management Response: Agreed. There are two accessible panic buttons in the cashier area.