



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. The 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 \$458.00 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.

The petty cash box was initially short \$13.75 when counted onsite; Management located and provided the receipts the following week. In addition, the Custodian did not have a quarterly reconciliation prepared as required in policy. The Custodian indicated that the petty cash box custody would be transferred to the Administrative Assistant.

While reviewing control documentation, OIG issued 10 additional control observations requiring management responses or action plans.

Recommendations & Actions: OIG worked with DAS to resolve 1 action plan. OIG transferred the remaining 11 audit observations to the BCC Internal Controls for an ongoing full evaluation by County Management, which continued at the time of the issuance of this report.

Conclusion Based on our initial review, cash receipt internal controls at the DAS are not 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. OIG will follow up on the progress of the action plans in 2024.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations Referred
696	\$ 434,728.41	N/A	N/A	12