



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 Utilities 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. Three out of three (100%) Utility office locations were selected to conduct unannounced cash counts onsite.

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 system interface transactions from 8/5/21 to 8/4/22.

Observations: One cash drawer was over by \$0.05 at the time of the audit; however, there were no other cash or change drawer discrepancies noted. Utility staff were well-trained on cash receipt processes. The petty cash box was not being utilized; therefore, staff indicated it would be closed. OIG worked with management to document 18 primary controls supporting 3 key process objectives related to the cash receipt process.

In reviewing the adequacy of internal controls, OIG noted one medium risk and five low risk control enhancements.

Recommendations & Actions: OIG will be working with Management to ensure the implementation of 6 action plans. Implementation of these action plans will enhance internal control effectiveness related to cash receipt safeguarding and recording.

Conclusion: Cash receipt internal controls at the Utility 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
8,094	\$ 166,243,412.49	N/A	N/A	6