



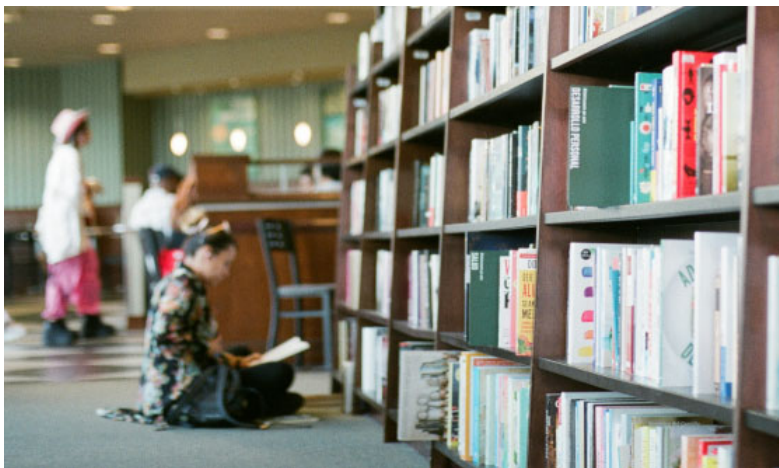
## Inspector General Insights

**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. Use the understanding of the agency and its environment to consider 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 library cash drawers and change drawers as recorded by the Clerk's General Accounting office in the June 2022 Imprest Funds reconciliation were included in scope.



Two out of ten (20%) library 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:** One cash drawer was over by \$0.25 at the time of the audit; however, there were no other cash or change drawer discrepancies noted. Library staff were well-trained on the cash receipt processes. The OIG worked with management to document 19 primary controls supporting three key process objectives related to the cash receipt process.

In reviewing the adequacy of internal controls, the OIG noted three high risk, one medium risk, and four low risk control deficiencies. In addition, the OIG has made three low risk control enhancements.

**Recommendations & Actions:** The OIG will be working with management to ensure the implementation of eleven 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:** Based on these results, the OIG cannot confirm that cash receipt internal controls at the libraries are 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. Limited assurance is provided for cash safeguarding and control.

The OIG will be reassessing the library cash receipts operations to ensure the implementation of two action plans.

<b>Total # Transactions</b>	<b>Amounts Audited or Reviewed</b>	<b>Questioned Costs</b>	<b>Taxpayer Savings</b>	<b># Observations / Recommendations</b>
<b>1,271</b>	<b>\$ 281,063.97</b>	<b>N/A</b>	<b>N/A</b>	<b>11</b>