

City Auditor's Office *Cash Controls Follow-Up*

April 2020



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City Auditor's Office

April 13, 2020

Honorable Mayor and Members of the City Council:

The City Auditor's Office has completed a follow up to the Cash Controls Audit completed in October 2019. The objective was to determine the implementation status of the audit recommendations presented in the original audit report.

Management concurred with all six recommendations in the original report. Follow-up procedures indicate management implemented all of the prior audit recommendations.

We would like to thank staff from the Finance Department for their assistance and cooperation in completing this audit.

Lori Brooks Jaquess

Lori Brooks Jaquess, CPA, CIA, CGAP, CRMA
City Auditor

cc: Trey Yelverton, City Manager
Jim Parajon, Deputy City Manager
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Cash Controls Follow-Up Audit

Table of Contents

	<u>Page</u>
Background.....	2
Audit Scope and Methodology	2
Status of Prior Audit Recommendations Matrix.....	3



Background

The City Auditor's Office completed the Cash Controls Audit in October 2019. The purpose of the audit was to assess controls related to petty cash and change funds and ensure compliance with City policies and procedures. The objective of this follow up project is to determine the implementation status of the audit recommendations included in the original report.

Audit Scope and Methodology

The scope of the project was limited to following up on management's implementation of the previous audit recommendations. Our methodology included obtaining updated status reports from management regarding the implementation of the audit recommendations and reviewing relevant supporting documentation.

The matrix on the following pages illustrates the results of the follow up procedures.

**Cash Controls Audit
Status of Prior Audit Recommendations**

PRIOR AUDIT RECOMMENDATION	CONCUR/ DO NOT CONCUR	PRIOR MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE	CURRENT MANAGEMENT RESPONSE/ IMPLEMENTATION STATUS	AUDIT CONCLUSION
1. <i>The City Auditor's Office recommends the Finance Department perform a review and update the Petty Cash and Change Fund lists and maintain a current status in the future.</i>	Concur	Reconciliations for both funds are completed and reviewed on a monthly basis by Finance. Lists are updated in accordance with the policies when departments submit requests to add or change custodians. Going forward, Finance will request that departments review and confirm assigned custodians and amounts on an annual basis.	Amy Trevino, Controller	Dec 2019	Complete.	Implemented

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<p>2. <i>The City Auditor's Office recommends the Finance Department consider communicating a reminder to departments to notify Finance when there is a change in the existence, assigned custodian or dollar amount of these funds, to help ensure a consistent current status. Departments should be diligent in timely reporting to Finance when changes occur.</i></p>	Concur.	<p>This can be included in the annual request for departments to review and confirm assigned custodians and amounts.</p>	Amy Trevino, Controller	Dec 2019	Complete.	Implemented
<p>3. <i>The City Auditor's Office recommends that the Finance Department communicate with the departments where control weaknesses were identified to provide a reminder of the established policies and their related responsibilities. In addition, these departments should provide Finance with a corrective action plan.</i></p>	Concur.	<p>Finance will communicate with departments found to be in non-compliance with policies and will provide a reminder of the requirements and responsibilities in the annual review/confirmation process at year end.</p>	Amy Trevino, Controller	Dec 2019	Complete.	Implemented

PRIOR AUDIT RECOMMENDATION	CONCUR/ DO NOT CONCUR	PRIOR MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE	CURRENT MANAGEMENT RESPONSE/ IMPLEMENTATION STATUS	AUDIT CONCLUSION
4. <i>The City Auditor's Office recommends that the Finance Department review and update, as needed, the Change Fund, Petty Cash, and Cash Handling Policies and Procedures.</i>	Concur.	Finance will review and update the applicable policies and procedures, as needed.	Amy Trevino, Controller	Dec 2019	Reviewed, will update as needed annually during YE close.	Implemented
5. <i>The City Auditor's Office recommends that the Finance Department perform a review of the number, dollar amount, and use of petty cash funds and make adjustments as needed.</i>	Concur.	Annually, Finance will request that departments review and confirm assigned custodians, amounts and adjust as needed.	Amy Trevino, Controller	Dec 2019	Complete.	Implemented
6. <i>The City Auditor's Office recommends that the Finance Department perform a review of the number and dollar amounts of change funds and make adjustments as needed.</i>	Concur.	Annually, Finance will request that departments review and confirm assigned custodians, amounts and adjust as needed.	Amy Trevino, Controller	Dec 2019	Complete.	Implemented