
CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of the Finance Department

Citywide Cash Receipts

Project No. AU23-013

July 27, 2023

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of Citywide Cash Receipts. The audit objectives, conclusions, and recommendations follow:

Determine if receipts are adequately controlled and in compliance with Finance cash handling directives.

Overall, receipts are adequately controlled and comply with Finance cash handling directives. Departments maintain policies and procedures that align with City administrative directives. Departments also have effective procedures and controls that ensure the appropriate safeguarding of cash.

Additionally, sites have controls in place to ensure cash is secured during daily operations and after hours. Departments also have procedures that ensure employee background checks and cash handler training is completed before performing cash handler duties. Lastly, departments have procedures in place that ensure cashiers reconcile their register or till at the end of each shift. Departments periodically reconcile cashier's tills, investigate out of balances, and document errors accordingly.

We make no recommendations to the Finance Department; consequently, no management response is required. Management's Acknowledgement of these results is in Appendix B on page 5.

Table of Contents

Executive Summary	i
Background.....	1
Audit Scope and Methodology	2
Audit Results.....	3
Appendix A – Staff Acknowledgement.....	4
Appendix B – Management Acknowledgement	5

Background

Administrative Directive (AD) 8-1 Cash Handling is the primary document that defines and outlines the City's cash receiving, handling, safeguarding, and depositing procedures and processes. The AD addresses the decentralized nature of receipting and depositing cash while providing standards for training and periodic review. Per AD 8-1 Cash Handling, cash equivalents include coins, currency, checks, and money orders.

Additionally, departmental policies and procedures document operations that are specific to or occur more frequently in those areas. City departments with cash handling responsibilities maintain, review, and update department cash handling procedures to ensure compliance with the AD. If the department's procedure deviates from the AD, it must be approved in writing by the Finance Department and detailed in departmental cash handling procedures. Examples of department-specific policies and procedures include performing deposits, opening & closing procedures, and end-of-day system processing procedures.

Approximately 50 City facilities handle cash and perform deposits at least weekly. Of these 50 City facilities, 27 are libraries that handle less than \$200 per week. Examples of facilities that handle more significant amounts of cash are the Bitters Brush Scale House, Development Services Department, Municipal Court, and San Antonio Metro Health Department. The Convention Sports and Entertainment Facilities Department, specifically the Alamo Dome Box Office, tops the list of facilities that handle the most amounts of cash.

Overall, the City is reducing the number of departments handling cash and cash on hand. For example, Alamo Dome parking primarily accepts credit cards for payment. Additionally, the Finance Department has been working to reduce the number of departments maintaining petty cash funds and anticipate closing out all petty cash funds by the end of FY 2023.

Lastly, cash handler duties are performed by employees in various roles. In smaller departments, in the absence of a full-time cashier, cash handler duties may be performed by an accounting clerk or similar position.

Audit Scope and Methodology

The audit scope included October 2021 to March 2023. The citywide audit involved multiple departments that handle cash such as Finance, Solid Waste Management, Municipal Court, Metropolitan Health, Parks & Recreation, and Conventions & Sports Facilities.

To establish criteria for testing, we interviewed department management and staff and reviewed various documents to identify relevant processes and controls. Our testing criteria included documents such as administrative directives, policies and procedures, and interdepartmental correspondences.

To confirm alignment with City administrative directives, we reviewed a sample of department policies and procedures. We conducted site visits to determine if adequate controls were in place to safeguard cash. We also tested a sample of departmental controls such as verifying cash on hand, performing end-of-shift procedures, and user access reviews to confirm periodic completion. We also tested controls relevant to employee background checks and cash handler training.

We relied on computer-processed data in SAP to validate cash deposits made by the departments. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included comparing the department's deposit records to the amount of the transactions performed in SAP. We do not believe that the absence of testing general and application controls affected the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

Overall, cash receipts are adequately controlled and align with Finance cash handling directives. We reviewed a sample of ten sites throughout the City that handle cash for nine departments. We determined that the departments maintain policies and procedures and have controls to ensure cash is safeguarded, background checks are completed, cash handler training is accomplished, and register or till reconciliations are performed.

Departments maintain departmental policies and procedures that align with Finance and City administrative directives. The policies and procedures included controls for cash handling, performing deposits, and storing and safekeeping of cash. Departments also conduct periodic reviews of their policies and procedures.

Additionally, we visited ten sites and observed the safeguarding of cash, access to cash areas, and use of surveillance cameras. We determined that sites safeguarded cash receipts and have controls to secure areas where cash is present. Cashiers ensure their register or till remains out of public view during business hours and secure it in a safe or vault after hours. Similarly, key or badge access limits employee access to areas where cash is counted, processed, and stored. Also, when employees leave the department or site, their access is removed, and safe combinations are changed as outlined in Administrative Directive 8-1 Cash Handling. We observed surveillance cameras at nine sites. Procedures are in place to ensure cameras are in use, functioning properly, and views are not obstructed.

We reviewed a sample of 21 employee background checks and 48 cash handler training records. We determined that departments have effective procedures to ensure newly hired or transferring employees complete background checks and cash handler training before performing cash handler duties.

Furthermore, cashiers reconcile their register or till and complete closing documents at the end of each shift. Finally, departments ensure that supervisors periodically reconcile registers or tills and that discrepancies are appropriately researched and resolved. If the register or till is out of balance or an error is found, it is investigated and documented accordingly.

Appendix A – Staff Acknowledgement

Buddy Vargas, CPA, CIA, CFE, Audit Manager
Ken Lyssy, CFE, Auditor in Charge
Sabrina Salinas, Auditor
Megan Dodd, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78203-3966

June 29, 2023

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of Citywide Cash Receipts Audit

The Finance Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

The Finance Department:

Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely,



Troy Elliott
Deputy Chief Financial Officer
Finance

7/21/2023
Date



Ben Gorzell
Chief Financial Officer
City Manager's Office

7/21/2023
Date