



THE HONORABLE
GWEN MARSHALL

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

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DIVISION OF INTERNAL AUDITING

To: John Leeds, Operations Director
Shawnya Hernandez, Facilities Operations Supervisor
Maxine Donovan, Sr Administrative Associate
Colleen Bostic, Sr Administrative Associate

Cc: Gwen Marshall, Clerk of the Circuit Court and Comptroller
Kenneth Kent, COO and Chief Deputy Clerk
Scott Ross, Director Office of Financial Stewardship
Edward Burke, Finance Director
Travis Stephens, Assistant Finance Director
Wade England, Treasury Manager
Luis Camejo, Internal Audit Manager

From: Natalie Hill, Internal Auditor

Subject: Cash Collection Walkthrough – Facilities Management

Date: 2/13/2023

The Division of Internal Auditing (IA) conducted walkthroughs of the Facilities Management cash collection process. Facilities Management collects citizen and employee parking fees from the parking lots located at the Main Library and on Bronough Street. Additionally, Facilities Management collects money for employee badge replacements, parking remotes, access cards, and WWII Memorial bricks. The objective of the walkthroughs was to evaluate the control environment over the cash collection process and to provide opportunities for improvement, if needed.

IA performed the following procedures:

- Reviewed Facilities Management's cash control narrative updated as of June 23, 2022, and compared it to the actual process.
- Observed the collection of cash from the four parking machines located at the Main Library and Bronough Street lots.
- Observed the physical count of dollar coins stored in the machines' change fund hoppers on December 15, 2022.
- Observed preparation of the weekly bank deposit.
- Reviewed the current list of cash custodians to ensure all employees are active.
- Interviewed two Facilities Management cash custodians and two Operations staff to assess the process.
- While trying to tie Facilities Management's change fund balance, we also reviewed the Parks & Recreation cash control narrative updated as of June 23, 2022, and inquired about the \$100 change fund referenced therein.



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- Held meetings with cash collectors and custodians to discuss opportunities for improvement.

RESULTS

- 1) The Facilities Management cash control narrative is not up to date. It includes former employees, and it does not reference the change fund allocated to the department.
- 2) There are four machines to collect daily parking fees. Each machine contains a box called a “hopper”. These change fund hoppers hold dollar coins to dispense change to customers.
- 3) The change fund balance is not properly monitored, as change fund hoppers are only counted once a year.
- 4) Operations staff does not count the money retrieved from the parking machines during their weekly collections. They deliver it to Facilities Management where one employee counts it.
- 5) Staff does not always deposit the cash collected.
- 6) Operations staff makes frequent trips to the bank to exchange undeposited funds for dollar coins to replenish the change fund hoppers.
- 7) The change fund balance does not tie to the balance recorded in the accounting records. Facilities Management’s change fund balance in Banner is \$751.70. On December 15, 2022, a physical count of all four change fund hoppers totaled \$765.
- 8) Staff is not aware of the authorized change fund balance.
- 9) The Parks & Recreation cash control narrative referenced a \$100 change fund for campgrounds. Through inquiries, auditor learned the \$100 change fund no longer exists and it was removed from the accounting records without sufficient support.

POINTS TO CONSIDER

- 1) Update the Facilities Management cash control narrative for the following:
 - a. Remove employees that no longer work for the division
 - b. Reference the change fund balance, its location(s), and count frequency
- 2) The current practice is to deposit all funds collected without tracking the change fund balance. We recommend:
 - a. Facilities Management inform Finance of the date of the next physical count of the change fund hoppers and report the balance accordingly.
 - b. The same day the dollar coins in the change fund hoppers are counted, Finance performs the necessary balance sheet adjustment to match the change fund balance.
- 3) Increase the change fund to \$1,600 to maintain \$400 in dollar coins in each change fund hopper. A larger change fund balance should reduce the number of bank runs to obtain dollar coins.
- 4) Perform quarterly counts of the money in the machines’ change fund hoppers and report these balances to Finance. The balance from the physical counts plus the change disbursed should tie to the authorized allocated amount.



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- 5) Weekly collections should first be counted by those retrieving the cash. They should sign off on the count before turning the money to Admin staff. The count should be verified by employees at Facilities Management.
- 6) All collections should be deposited and reported to Finance including the receipts obtained from the machines. Finance should use this information to track revenue and the change fund balance.
- 7) When the change fund hoppers' balances run low, Operations staff should notify Facilities Management to request coin replenishment from Finance.
- 8) Update the Parks and Recreation cash control narrative to remove the mentioning of a \$100 change fund at the Coe Landing campgrounds.

MANAGEMENT COMMENTS AND ACTION PLANS

Management Action Plans	Expected Completion Date
1) Update the Facilities Management cash control narrative and provide updated version to Finance.	
See attachment	Monday, March 27 th
2) Coordinate with Finance to count the cash in the change fund hoppers, adjust the change fund balance, and increase the change fund to \$1,600.	
See attachment	Friday, March 31 st
3) Commit to quarterly counts of the money in the four parking machine change fund hoppers.	
See attachment	Friday, March 31 st
4) Weekly collections should first be counted by those retrieving the cash. They will sign off and give to Admin staff.	
See attachment	Friday, March 31 st
5) Update the Parks and Recreation cash control narrative to remove the mentioning of a \$100 change fund at the campgrounds.	
See attachment	Completed

Attachment for Facilities Management responses to Management Comments and Action Plans section of the *Cash Collection Walkthrough – Facilities Management* memo dated February 3, 2023.

1. Update the Facilities Management cash control narrative and provide updated version to Finance.
 - a. Facilities Management has made edits to the cash control narrative to incorporate the Points to Consider provided in the *Cash Collection Walkthrough – Facilities Management* memo dated February 3, 2023. However, to fully implement the recommendations, Facilities Management will need more time to engage Finance regarding the best way to handle the dollar coins and balancing the change fund. Additionally, Facilities Management staff is engaging the gate vendor to ensure that the machines can be updated to provide accurate receipts.
 - b. Expected completion date is Monday, March 27th.
2. Coordinate with Finance to count the cash in the change fund hoppers, adjust the change fund balance, and increase the change fund to \$1,600.
 - a. Facilities Management agrees to increase the overall change fund to \$1,600 (\$400 per gate) and is working with Finance to ensure the process works for both Facilities Management and Finance. This will be updated in the cash control narrative.
 - b. Expected completion date is Friday, March 31st to ensure this is implemented for the quarter starting April 1st.
3. Commit to quarterly counts of the money in the four parking machine change fund hoppers.
 - a. Facilities Management agrees and is working with Finance to incorporate a quarterly count of the change fund hoppers. Weekly counts of the revenue hoppers will continue. This will be updated in the cash control narrative.
 - b. Expected completion date is Friday, March 31st.
4. Weekly collections should first be counted by those retrieving the cash. They will sign off and give to Admin staff.
 - a. For safety reasons, Facilities Operations staff will collect the revenue hopper funds and receipts and then bring them to the main office (1907 S. Monroe). They will count the funds at the main office, sign off on the receipts, and then deliver to Admin staff in locked bags. If there is a discrepancy, Facilities Operations staff will notify the ORS Operations Director. Facilities Management agrees and will update the cash control narrative accordingly.
 - b. Expected completion date is twofold. Two Facilities Operations staff are now collecting and counting funds at the main office weekly. However, the sign off on receipts is pending the gate vendor's feedback and will be completed by Friday, March 31st.
5. Update the Parks and Recreation cash control narrative to remove the mentioning of a \$100 change fund at the campgrounds.
 - a. Facilities Management has updated the cash control narrative to remove the mentioning of a \$100 change fund at the campgrounds. The change fund was removed over five years ago as there was no longer a need to provide cash change at the campgrounds. The funds were deposited back into the account, however, current staff were unable to identify the exact deposit amount and date. All staff relevant to the campground change fund are no longer with the department.
 - b. Completed.