

California State University, San Bernardino

5500 University Parkway
San Bernardino, CA 92407

MEMORANDUM

DATE: September 16, 2015

TO: Mike Sylvester, Interim Associate Vice President, Facilities Services

FROM: Mike Zachary, Internal Auditor

SUBJECT: Internal Audit of Cash Management Controls for Facilities Services

OBJECTIVE:

The audit objective was to ascertain the effectiveness of existing policies and procedures related to the cashiering activity at your location and to determine the adequacy of internal controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, state regulations, and campus policies and procedures.

BACKGROUND:

Cashiering audits involve the assessment of the adequacy of the systems of internal accounting and administrative control surrounding cash receipts, cash handling, change funds, and purchase funds at the main and satellite cashiering facilities.

Satellite cashiering includes the collection of cash and cash equivalents at campus and off-site locations other than the main cashier. Some of these locations conduct specific cash-handling operations for the campus, while others operate as change funds and petty cash funds. Typical responsibilities at these locations may include collections in the form of checks, credit cards, debit cards, and currency. The cash handling function at *Facilities Services* has been classified as a satellite cashiering location.

SCOPE AND METHODOLOGY:

The scope of audit includes a review of selected business unit cashiering procedures; cash receipts processes, change and purchase funds, and the overall accountability for cash in accordance with existing Trustee policy, system-wide directives, state regulations, and campus policies and procedures for controlling cash receipts; accountability for cash; security for personnel and funds; timely deposits; and accurate recordkeeping.

RESULTS OF AUDIT:

On September 16, 2015 Holly Konecny conducted an internal audit of cash management internal controls for Facilities Services. This internal audit is intended to assist in the implementation of campus self-monitoring responsibilities, and to prepare for future main and satellite cashiering audits from the chancellor’s office.

We commend Facilities Services for having no reportable audit concerns during this audit period. All procedures and documentation supporting cash management controls reviewed during this audit showed evidence of adequate oversight of the cash handling processes involved.

SAFETY AND SECURITY FOR PERSONNEL AND FUNDS

Overall, we believe that the safety and security for personnel and funds appeared to be reasonable, and in compliance with ICSUAM 3102.04, based the internal controls in place, as well as the magnitude of dollar amounts handled.

AUDIT FOLLOW-UP AND CLOSURE:

As there are no reportable audit concerns, we plan to place Facilities Services on a 24 month cash management controls audit cycle, rather than the standard 12 month cycle. We may perform a brief audit survey within the 24 month period to ensure that internal controls continue to operate as intended by management.

If you have any questions or concerns, please contact me at 909-537-3430.

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| c: | President Tomás Morales | Deletta Anderson | Kelsey Kenz |
| | Doug Freer | Lisa Iannolo | Rhonda Siegal |
| | M. Monir Ahmed | Marilyn Lymuel | Peggy Holden |
| | Jody Van Leuven | Holly Konecny | |