

California State University, San Bernardino

5500 University Parkway
San Bernardino, CA 92407

MEMORANDUM

DATE: June 23, 2016

TO: Thomas Gaffery, Director, Parking Services

FROM: Mike Zachary, University Internal Auditor

SUBJECT: Internal Audit of Cash Management Controls:
Parking Services Main Office and Parking Permit Machines (Dispensers)

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 Parking Services Main Office cash handling function, including receipt of funds by checks and parking permit machine (dispenser) collections at both the SB campus and at the PD campus 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 April 18, 2016 Holly Konecny conducted an internal audit of cash management internal controls for the *Parking Services Main Office*, and included a review of parking permit machine procedures. This did not include an audit of the Information Centers, IC1 and IC2 which were audited in March 2015. The Parking Services Main Offices has reduced much of their cash handling risk by eliminating their change fund and their petty cash fund, as well as currency collections at that location. Checks are received, mainly for citations, and the checks are processed daily. There were no significant discrepancies noted during this review.

During May and June 2016 we performed an audit and detailed testing of the parking permit machine cash handling and deposit procedures, including a review of standard reconciliation procedures. There were 13 permit machines on the San Bernardino campus and 1 machine located at the Palm Desert campus. Parking Services regularly reconciles all parking machine cash collections to machine data, and to both CashNet and general ledger postings. There were no significant deficiencies noted during this review.

SAFETY AND SECURITY FOR PERSONNEL AND FUNDS

Overall, we believe that the safety and security for personnel and funds reviewed appeared to be reasonable, and in compliance with ICSUAM 3102.04, based the internal controls in place, the security features installed, the dual custody collection methods, including procedures for UPD escorts when needed, and the magnitude and type of funds handled. No safety and security related exceptions were noted during this review.

AUDIT FOLLOW-UP AND CLOSURE:

As there are no reportable audit concerns, no follow-up or reporting is necessary at this time by Parking Services. Based on the magnitude of parking dispenser cash collections, we plan to re-audit cash handling procedures and reconciliations for the permit machines more frequently than every 12 months, and other forms of collections may be included.

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

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| c: | President Tomás Morales | Deletta Anderson | Grace Munyiri |
| | Doug Freer | Lisa Iannolo | |
| | M. Monir Ahmed | Marilyn Lymuel | |
| | Nina Jamsen | Claudia Campos | |
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