

**California State University, San Bernardino**

5500 University Parkway  
San Bernardino, CA 92407

**MEMORANDUM**

**DATE:** January 25, 2016

**TO:** Nina Jamsen, Chief of Police, University Police Department

**FROM:** Mike Zachary, University Internal Auditor

**SUBJECT:** Internal Audit of Cash Management Controls, University Police Department

**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 University Police Department (UPD) cash handling function 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 January 21, 2016 Holly Konecny, Accountant, conducted an internal audit of cash management internal controls for the University Police Department (UPD). This internal audit is intended to assist in the implementation of campus self-monitoring responsibilities, and to prepare for future main and satellite cashing audits from the chancellor’s office.

**Restrictive Endorsement for LexisNexis Checks**

At the time of audit, checks from LexisNexis were received and not immediately restrictively endorsed. Additionally, the UPD did not have a restrictive endorsement stamp for these checks. We recommended that the UPD obtain a restrictive endorsement stamp from the Bursar’s Office and thereafter endorse checks with the stamp immediately upon receipt.

Shortly after the audit fieldwork the UPD Support Services Supervisor informed us that the restrictive endorsement stamp had been obtained. At this point, checks can now be restrictively endorsed immediately upon receipt, and ultimately delivered to the Bursar’s Office for deposit. We now consider this audit issue closed, with no need for short-term follow-up, although this issue will be revisited at the time of the next cash management controls audit.

**SAFETY AND SECURITY FOR PERSONNEL AND FUNDS**

Overall, we believe that the safety and security for personnel and funds in the UPD appeared to be reasonable, and in compliance with ICSUAM 3102.04, based the internal controls in place and the security features installed. No significant exceptions were noted during our review.

**AUDIT FOLLOW-UP AND CLOSURE:**

We thank the UPD for addressing audit issues immediately and allowing us to close the audit shortly after the fieldwork. As there are no open issues, no additional audit follow-up is necessary. We will plan for another cash management controls audit in about one year.

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

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|----|-------------------------|------------------|-------------------|
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|    | M. Monir Ahmed          | Marilyn Lymuel   |                   |
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