

Reply to Common Council File No. 020431  
From DOA-Budget and Management Division

June 27, 2002

Ref: 02002(3)

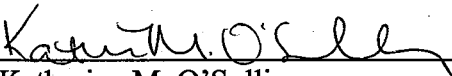
Common Council File 020431 is a communication from the Comptroller's office transmitting a report entitled, Audit of Cashiering Activities in the City of Milwaukee Treasurer's Office. The objectives of this audit were: to determine if individual cash transactions are recorded accurately on the Treasurer's Cashiering System, to determine whether daily cash transactions are accurately transferred to the City's FMIS in a timely manner, and to determine if cash receipts are properly and in a timely manner secured and deposited. This audit determined that cash transactions are recorded on the Cashiering System in an accurate and timely manner. The audit also determined that transactions completed by the Cashiering System were accurately transferred to FMIS in a timely manner. Finally, the audit showed that current internal controls are adequate to reduce the risk of cash misappropriation.

This audit found many strengths in the Cashiering Activities of the Treasurer's Office, however, there were still recommendations suggested for improvement. It should be noted that the Treasurer's Office agrees with the recommendations and has or will implement them all.

The recommendations of the audit are:

1. Implement a procedure to generate and review the Cashiering System Over/Short report on a monthly basis.
2. The Head Cashier should verify deposit amounts received by each cashier prior to adding the cash to his/her drawer.
3. The Head Cashier should lock all cabinets/drawers, limiting access to the Head Cashier only.
4. The storage location of the flat control keys should be separated from the cashier's key to mitigate the risk of access to cash drawers by someone other than the assigned cashier.
5. Upon notification from the bank of an erroneous deposit, necessary analysis and adjustment should be made with the Cashiering System as soon as possible.

**RECOMMENDATION: PLACE ON FILE.**

  
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