



Audit of City Treasurer Cash Controls

City of Milwaukee
Internal Audit Division
November 14, 2023



Agenda

- Scope & Objectives
- Procedures
- Conclusions
- Findings
- Next Steps

Audit Scope and Objectives

Audit Scope

The scope of the audit included cash controls within the Revenue Collection Division of the Office of the City Treasurer and the access controls over the iNovah application cashiering system from June 1, 2022 through May 31, 2023.

Audit Objectives

Audit objectives were to:

- Assess the adequacy and effectiveness of controls in place surrounding cashiering activities; and
- Evaluate the adequacy and effectiveness of access controls surrounding the iNovah application.

Audit Procedures

The audit procedures used to evaluate the processes and controls to meet the audit objectives included process walkthroughs, review policies and procedures, observation, and the testing of controls as follows:

- Internal Audit met with the City treasurer Revenue Collection Division Manager to observe how policies and procedures are implemented by the Revenue Collection Division employees.
- Internal Audit identified 11 controls during a walkthrough and tested all 11 controls.



Audit Conclusions

- Most of the internal controls over the City Treasurer Revenue Collection Division are operating effectively. There are three areas where improvements are needed, including approval of Standard Operating Procedures, currency limits, and testing of alarm equipment.

Audit Finding #1: Policies and Procedures

- Finding: The approval process of changes and amendments to Revenue Collection Unit Standard Operating Procedures (SOP) Manual is not included in the manual.
- Risk: Procedures may not be updated in a timely manner. *Risk Rating: Medium*
- Recommendation: The approval process of changes and amendments to the Revenue Collection Unit SOP Manual should be included in the manual. In addition, the Revenue Collection Unit Manager and/or approved unit member should perform an annual review of SOPs and document amendments with an appending history of changes table for each SOP.

Audit Finding #2: Currency Limits

- Finding: During January and February 2023 tellers exceeded the established limit in 16 out of 223 examined instances.
- Risk: Unnecessarily high impact in the event of misappropriation of assets. *Risk Rating: Medium*
- Recommendation: Tellers must maintain their beginning cash drawer below the established limit.

Audit Finding #3: Main Vault

- Finding: Hold-up alarms has never been tested.
- Risk: Unknown hold-up alarm malfunctions can lead to potential monetary loss and safety concerns in the event of a robbery attack. *Risk Rating: Medium*
- Recommendation: Hold-up alarms should be tested as per SOP No.: RCU-403.

Next Steps

Phase 1

- Auditees will execute audit finding remediation action plans



Phase 2

- Internal Audit will solicit audit finding remediation progress updates annually



Phase 3

- Internal Audit will report remediation status to the F&P committee annually



Thank You.

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