

**Banking Division  
Risk Analysis Work Sheet  
Audit 03-12**

<u>Risk</u>	<u>Effect</u>	<u>Control</u>	<u>Control In Place</u>	<u>Assessment</u>
Cash receipts are not accurately recorded in the general ledger.	Financial Statements would be misstated.	Reconciliations are performed daily. Banking Division independently matches bank deposits to statements.	Yes	Low
Cash receipts are not deposited on a timely basis.	City loses interest earnings.	Central Cashiering deposits are picked up by Armored Car on a daily basis. McKay Bay deposits are picked up by Armored Car Monday, Wednesday, and Friday.	Yes	Low
Cash collections/receipts are not properly receipted.	All cash receipts would not be accounted for.	Collection application generates receipt for each transaction. Customer acts as compensating control. Banking Section independently reviews receipt books; General Accounting performs periodic audits of receipt books.	Yes	Low
Cash is not adequately safeguarded.	Cash receipts could be subject to misappropriation.	Cash at both the Central Cashier and the McKay Bay Scale House are secured in locked vaults with limited access.	Yes	Low
McKay Bay Scale House and General Accounting Accounts Receivable balance per FAMIS does not agree to the detail ledger.	Individual account balances or control account balance may be inaccurate.	McKay Bay Scale House accounts receivable balance per FAMIS is reconciled to the detail manual ledger balance on a monthly basis. The General Accounting Accounts Receivable balance per FAMIS has not been updated since May 2002. As such, it has not been reconciled to the detail ledger.	Yes for McKay Bay Scale House. No for General Accounting accounts receivable.	Low - McKay Bay Medium - General Accounting Accounts Receivable.
Collection efforts are not made on delinquent accounts.	Lack of cash collection on recognized revenue.	For McKay Bay Scale House receivables, the Accounting Technician II will contact the customer and/or write on the next invoice that the account must be kept current or will be required to pay cash on future solid waste disposals. The invoice will include an interest charge. For General Accounting invoices a second invoice is sent with an interest and administrative charge. If an invoice is remained uncollected, it will be referred to the legal department. Bill Ladd, Accountant III in General Accounting authorizes the write-offs of accounts receivable.	Yes	Medium - We noted in our review of the detail for the General Accounting Invoices several delinquent accounts.

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Accounts receivable write-offs not properly supported or authorized.	Loss of revenue.	Accounts receivable write-offs have to be properly supported by the applicable departments.	Yes	Low
Purchases and sales of investments are not posted to FAMIS or are posted incorrectly.	Investment account balance may be inaccurate.	The bank statement is reviewed daily. Investment Coordinator advises the Banking Division of any purchases or sales made via a Confirmation of Transaction form. In addition, confirmations from brokers and financial institutions are received.	Yes	Low
Security purchases are not adequately safeguarded against theft.	Securities could be stolen.	Security purchases are held as a book entry in the City's account by the safekeeping bank.	Yes	Low
Securities purchased are not in accordance with the City Charter.	Non-compliance with City Charter.	The Investment Coordinator is very knowledgeable about the type of securities that are allowed.	Yes - Scanned the detail investment ledger as of 1/31/03 noting securities appear to be in accordance with the City Charter.	Low