



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

March 12, 2015

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Banking and Cashiering-McKay Bay Scale House, Audit 14-05D

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Banking and Cashiering-McKay Bay Scale House.

We thank the management and staff of the Banking and Cashiering Division and the Solid Waste Department for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Brad Baird, Administrator of Public Works and Utility Services
Mark Wilfalk, Solid Waste and Environmental Program Director
Lee Huffstutler, Chief Accountant
Daryl Stewart, Solid Waste Operations Chief
Michael Fitzgerald, Accounting Operations Manager
Ora Frazier, Scalehouse Supervisor

**REVENUE AND FINANCE DEPARTMENT
BANKING AND CASHIERING DIVISION
MCKAY BAY SCALE HOUSE
AUDIT 14-05D
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/s/ Melinda Jenzarli

Auditor

/s/ Christine Glover

Audit Director

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BACKGROUND

The Banking and Cashiering Division is a unit of the Revenue and Finance Department and is responsible for the oversight and reconciliation of all cash equivalents received citywide.

The Solid Waste Department operates the Scale House, which is the entry point for all vehicles accessing the McKay Bay Facility to dispose of waste. The Scale House is responsible for weighing vehicles using the AutoScale system as they enter and exit the facility and collecting the fees for disposing of waste. Before vehicles enter the facility, they are weighed in and issued a ticket with an estimated cost. After the waste is disposed of, vehicles are re-weighed, and the final cost is determined.

Table 1: Scale House Tickets Issued - April 1, 2014 to September 30, 2014

Type	Tickets Issued	% of Total Tickets	Total Cost	% of Total Cost
Incinerator	1,604	3.1%	\$0	0%
Transfer Station	1,613	3.1%	\$914,203	7.3%
City Commercial Contract	1,877	3.6%	\$1,529,488	12.2%
City Resident-Free	4,893	9.6%	\$0	0%
Commercial Account	6,353	12.3%	\$1,674,870	13.3%
Credit Card Customer	6,478	12.6%	\$253,487	2.0%
Cash Customer	11,283	21.9%	\$421,189	3.4%
City of Tampa Vehicle	<u>17,422</u>	<u>33.8%</u>	<u>\$7,757,489</u>	<u>61.8%</u>
Grand Total	<u>51,523</u>		<u>\$12,550,726</u>	

Source: Scale House AutoScale transactions received from the Technology and Innovation Department for April 1, 2014 through September 30, 2014.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY 2014 Audit Agenda. The objectives of this audit were to ensure that:

1. Receipts collected at the Scale House have been accurately collected and recorded.
2. Transactions voided in AutoScale are appropriate.
3. Payments received are deposited at the bank and bank reconciliations are completed and reviewed.

STATEMENT OF SCOPE

We have conducted an audit of the banking and cashiering activities of the McKay Bay Scale House. The audit period covered April 1, 2014, through September 30, 2014, and included a review of internal controls over payments received, recorded, and deposited. Original records and copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

To achieve the audit objectives data was extracted from the AutoScale system for all tickets issued and voided. Bank deposit data was obtained from the Bank of American CashPro system and compared to daily cash and credit card transactions to verify payments received were deposited. Tickets issued for commercial customer accounts were compared to Oracle invoices to verify that the amounts billed were accurate. Data analysis techniques, including statistical sampling, were used for our testing. The AutoScale data used in this audit was assessed and deemed reliable.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that:

1. Receipts collected at the Scale House were accurately collected and recorded. Improvements could be made to ensure that all vehicles are issued a ticket at the Scale House and charged appropriately.
2. Transactions voided in AutoScale were appropriate.
3. Payments received were deposited at the bank, and bank reconciliations were completed and reviewed.

While the finding discussed below may not significantly impair the operations of the Banking and Cashiering Division and the Solid Waste Department, it does present risk that can be more effectively controlled.

SCALE TICKET VERIFICATION

STATEMENT OF CONDITION: The transfer station does not require customers to show proof of payment prior to allowing them to remove waste for disposal.

CRITERIA: The transfer station should verify that a customer has been processed through the Scale House prior to allowing them to remove waste from their vehicle.

CAUSE: The current process does not require verification of payment at the transfer station.

EFFECT OF CONDITION: Inability to verify if vehicles are being processed and charged at the Scale House prior to waste disposal.

RECOMMENDATION: Customers should be required to show the transfer station attendant the inbound scale ticket. The transfer station attendant should verify that the date, time, and waste type on the ticket are accurate and that the weight on the ticket appears appropriate.

MANAGEMENT RESPONSE: Management supports the audit recommendation to verify that each customer has been processed through the Scale House prior to disposing of materials at the Transfer Station. However, the process of verifying each inbound scale ticket would cause operational constraints that would be counterproductive towards expediting the disposal process in the most efficient manner. In order to minimize the financial risk associated with paying for waste disposal, department personnel will combine periodic verifications of the inbound scale tickets with the full implementation of the waste-type identification placard.

In December 2014, the Scale House initiated a pilot waste-type identification process utilizing laminated color-coded placards placed in the windshield of each customer's vehicle on the inbound lane to assist Transfer Station personnel with identifying the waste type. The color-coded cards identify Free Disposal, Yard Waste, and Construction Debris. The color-coded cards are returned to the Scale House on the outbound lane when payment is received. This identification process helps prevent customers from disposing of materials at the Transfer Station without authorization and ensures they are appropriately charged for the waste type. In addition, the Scale House will add a fourth placard for Mixed Loads and provide these to Transfer Station personnel. In the event a Free Disposal, Yard Waste, or Construction Debris load is determined to have trash (mixed load), the Transfer Station personnel will exchange the placard on the customer's vehicle for a Mixed Load placard and notify the Scale House via radio to ensure the customer is charged the appropriate rate.