

**REVENUE AND FINANCE DEPARTMENT
BANKING AND CASHIERING DIVISION
BANKING AND CASHIERING-TPD
AUDIT 14-05B
DECEMBER 22, 2014**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

December 22, 2014

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

RE: Banking and Cashiering-TPD, Audit 14-05B

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Banking and Cashiering-TPD.

We thank the management and staff of the Banking and Cashiering Division 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
Lee Hoffstutler, Chief Accountant
Michael Fitzgerald, Accounting Operations Manager
John Bennett, Assistant Chief of Police
Brian Dugan, Deputy Chief of Police
Michael Baumaister, Police Major
Martin Gonzalez, Police Captain
Eddie Preston, Police Lieutenant
Geraldine Felcetto, Evidence Control Supervisor
Michele Sementilli, Evidence Services Assistant Supervisor

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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 has an authorized position count of 25. The Division is responsible for the oversight and reconciliation of all cash equivalents received Citywide. Cash equivalents received at the Tampa Police Department (TPD) for seized cash, vehicles released from the impound lot, auctions and receipts collected by the Records Division are verified, deposited and reconciled daily by the Revenue and Finance Banking and Cashiering Division. From October 1, 2013 to March 31, 2014, a total of \$1,151,083 was deposited for TPD related activities.

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 received at the impound lot and for released vehicles and auctions were accounted for and recorded properly.
2. Cash seized by officers was accounted for and recorded properly.
3. Receipts collected at the Records Division were accounted for and recorded properly.
4. All cash equivalents received at TPD for seized cash, released impounded vehicles, auctions and Records Division collections were deposited at the bank properly, and that bank reconciliations were completed and reviewed.

STATEMENT OF SCOPE

We conducted an audit of cash handling at the Tampa Police Department. The audit period covered October 1, 2013 through March 31, 2014 and included cash equivalents received at TPD for seized cash, released impounded vehicles, auctions, and Records Division collections. 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 TPD Versadex and InfoBase systems. This data was compared to verify cash equivalents received were recorded and accounted for properly. Bank deposit information was extracted from the Bank of America CashPro system and compared to the totals entered into InfoBase for seized cash, released impounded vehicles, auctions, and Records Division collections to verify all cash equivalents received at TPD were deposited. A combination of 100% verification and statistical sampling was used for our testing.

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 received at the impound lot and for released vehicles and auctions were accounted for and recorded properly in the TPD Versadex and InfoBase systems. The process for tracking impounded vehicles could be made more efficient.
2. Cash seized by officers was accounted for and recorded properly in the TPD Versadex and InfoBase systems.
3. Receipts collected at the Records Division were accounted for and recorded properly.
4. All cash equivalents received at TPD were deposited at the bank properly. Bank reconciliations were completed and reviewed. Internal controls over the deposit reconciliation could be improved.

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the Revenue & Finance Department and TPD, they do present risks that can be more effectively controlled.

IMPOUND VEHICLE TRACKING

CONDITION: Information related to the intake and release of vehicles seized and impounded by the TPD Property and Evidence Section is manually entered multiple times. The current process includes:

1. Evidence Technician hand-logs vehicles taken in and released at City impound lot.
2. Evidence Services Assistant Supervisor types hand logged information into an Excel Spreadsheet.
3. Accounting Technician II verifies and enters Excel Spreadsheet information into InfoBase (Access Database used by Evidence Section).

CRITERIA: Processes should be performed in an efficient and effective manner, as such, information related to the intake and release of seized vehicles should be entered once.

CAUSE: Process was created to properly account for vehicles impounded and released.

EFFECT: Inefficient use of City resources, higher likelihood for errors and lack of segregation of duties.

RECOMMENDATION 1: The Evidence Services Assistant Supervisor should enter the information from the hand logs directly into InfoBase. This will allow the Accounting Technician II to print the information from InfoBase and reconcile it directly to the handwritten logs.

MANAGEMENT RESPONSE: The Evidence Section is constantly trying to become more automated to maintain records. In the case of tracking vehicle impounds, the process is currently cumbersome and involves a number of duplications which are done by the Tampa Police Department Evidence Section and Revenue and Finance. This recommendation will reduce the duplication and streamline the process. The only deviation from the recommendation is that the Evidence Section Assistant Supervisor will print the report out of InfoBase after entering it and attach it to the daily report. The Accounting Technician II will simply reconcile the report to the money and daily cash receipts. The Tampa Police Department Evidence Section has been working with Technology & Innovation to begin the process of becoming fully automated. This should be completed within the next 3 months.

TPD BANK RECONCILIATION

CONDITION: The Accounting Technician II in Revenue and Finance prepares the bank deposit for all cash equivalents received at the Tampa Police Department (TPD). The Accounting Technician II also records and verifies the funds collected. The total amount of the deposit is entered into a spreadsheet by the Accounting Technician II. This total is used to reconcile to the bank statement.

CRITERIA: The bank statement should be reconciled back to the source documents used in the deposit preparation.

CAUSE: The current process does not require the total deposited in the bank statement to be verified back to the source documents.

EFFECT: Possible errors and misappropriation of funds without detection due to inadequate reconciliation.

RECOMMENDATION 2: The bank statement should be reconciled back to the source TPD documents used in the deposit preparation.

MANAGEMENT RESPONSE: Management agrees with the recommendation. We will reconcile the bank statement back to the TPD source document.