

CITY OF ALLENTOWN

TELLER DRAWER CASH COUNT

Building Standards & Safety - Residential Property Inspections/Resales 09/19/22

Date of Report: 10/06/2022

The Bureau of Building Standards & Safety (BSS) facilitates the development and maintenance of affordable, decent, safe, and sanitary homes, apartments, and commercial structures to ensure every citizen has access to quality places to live, work and play in a tolerant environment, using the highest standards of customer service.

BSS is comprised of two divisions, or offices: Building Permits and Inspections, and Residential Property Inspections/Resales. It is also the resource for Trades Licensing.

Building Standards & Safety – Residential Property Inspections/Resales maintains 1 (one) teller drawer which accepts cash, checks, or money orders.

OBJECTIVE

The audit objectives were:

1. To perform a surprise count of the Teller Register funds maintained by Building Standards & Safety – Residential Property Inspections/Resales.
2. To ensure the funds and supporting transaction documentation were present and properly reported.
3. To determine the existing policies and procedures including AIMs were being followed and whether internal controls were adequate to ensure that all cash is collected, accurately recorded, safeguarded, and deposited.
4. To identify any potential internal control weaknesses including but not limited to the physical security of the funds.

PROCEDURES

This audit was conducted in accordance with generally accepted governmental auditing standards and utilized an approach that included cash counts, staff interviews, reviews of documents, and reports and examinations of individual financial transactions.

Our process began by counting the register funds while being observed by the Building Standards & Safety – Residential Property Inspections/Resales personnel. The physical counts were compared to the prescribed system totals (cash drawers). Any discrepancies between the prescribed totals and the physical count were validated with the Building Standards & Safety – Residential Property Inspections/Resales Management.

Thru discussion and observation, we completed the Internal Control Questionnaire and identified potential internal control weaknesses.

FINDINGS, RECOMMENDATIONS AND RESPONSES

REGISTER COUNT: OVERAGES/SHORTAGES

1. Shortage in Physical Count

The Teller Register funds were physically counted by the Auditor and verified by Building Standards & Safety – Residential Property Inspections/Resales personnel. The totals physically counted were compared to the prescribed totals. The results were as follows:

FUND	OVER/(SHORT)
Teller Drawer	(\$9.50)

Recommendation

All overages and shortages should be investigated, and any procedural weaknesses identified should be used for retraining.

Administration’s Response

We agree to the recommendation and have created a new SOP for the department.

INTERNAL CONTROL WEAKNESS

2. Physical Cash Not Safeguarded

The 3rd floor Teller window is open from 8 am – 4 pm.

When the Teller window is closed, cash and their equivalents are maintained in the 3rd floor safe. At the beginning of the day, the Register’s opening cash balance is removed from the safe and safeguarded in the Teller Register’s drawer.

During our surprise Teller Register count, we noticed the Teller opening cash balance was not immediately safeguarded in the Teller Register drawer. Rather, the cash was put in an unlocked cabinet where it was accessible to anyone in the department.

Recommendation

Proper procedures should be reiterated to the staff. Cash and their equivalents should always be safeguarded to avoid potential malfeasance.

Administration’s Response

We agree to the recommendation and have created a new SOP for the department.

3. Overage Not Reported

During the surprise Teller Register count, we identified a \$21.00 overage that was being stored inside the Teller Register. Although the overage was old, the exact age and date of the overage could not be identified.

Recommendation

Proper procedures should be reiterated to the staff. Cash and its equivalents should always be safeguarded to avoid potential malfeasance.

Administration's Response

We agree to the recommendation and have created a new SOP for the department.