

**City of Rapid City COMPASS
Independent Audit**

**CITY WIDE CASH HANDLING
AUDIT**

Four Objectives

- 1. Determine if internal controls over cash handling are appropriate;**
- 2. Determine if cash is collected, receipted, recorded, deposited, transported, reconciled and secured in an adequate and accurate manner;**
- 3. Ensure that petty cash and change fund balances are accurate, that fund limits are appropriate and proper controls over account use are in place;**
- 4. Determine if City employees are adequately trained in cash handling responsibilities.**

Made recommendations regarding:

- 1. Develop written guidelines regarding cash handling, including site specific situations.**
- 2. Assure that a complete and accurate list of all petty cash and change funds are available.**
- 3. Develop a process to review missing, voided or cancelled receipts.**
- 4. Segregate cash handling duties where resources are available. Department management should develop and implement monitoring procedures over cash handling.**
- 5. Management should safeguard cash with safes and lockboxes and restrictively endorse checks immediately where practical.**
- 6. All payments regarding City departments in the CSAC building should be made at the City Finance Office and all utility payments made by mail or at the City Finance Office.**
- 7. The City Finance Office should provide training on proper internal controls for all City employees with cash handling responsibilities, including management.**

COMPASS staff is currently conducting a follow-up to this audit, as well as conducting a City Fees audit, Airport Contract audit, and has completed a City Wide Charge Account audit.

- 1. The amount of work that has been completed is commendable since staff was not hired until mid to late 2012 and 2013/2014 audit topics were not chosen by the Council until December 2012.**
- 2. Staff needed to become familiar with the City structure, management and systems and still has finished two audits and is nearing completion of additional audits.**
- 3. Distribute the City Wide Petty Cash Policy to assure that departments are aware of its requirements.**

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- 4. COMPASS will work to finalize the City Fees audit and discuss beginning work to examine the current fleet management system for opportunities to improve efficiency and evaluate alternative systems focused on cost savings.**
 - Often City management can become frustrated when they feel that cost savings or efficiencies could be realized but does not have the time or resources to conduct a cost/benefit analysis. COMPASS is a resource that can assist the City in seeking efficiencies and/or save time and money across department lines.**