



Item: AF: I-1a

## AUDIT AND FINANCE COMMITTEE

Wednesday, February 21, 2007

**SUBJECT: REVIEW OF AUDITS: REPORT #FAU 06/07-1, BROWARD CASHIER'S OFFICES FOR THE PERIOD JANUARY 1 THROUGH JUNE 30, 2006.**

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### PROPOSED BOARD ACTION

Information only.

### BACKGROUND INFORMATION

Audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited; customer refunds were valid, properly supported and authorized, and accurately processed; and, physical security measures for the safeguarding of personnel and monetary assets of the cashier's office were adequate.

Twelve recommendations were made to address transaction accountability, segregation of duties, and asset security issues.

### IMPLEMENTATION PLAN/DATE

Management has agreed to implement the audit recommendations during the period October 31, 2006 through March 30, 2007.

### FISCAL IMPLICATIONS

Not Applicable.

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**Supporting Documentation:** Report #FAU 06/07-1, Broward Cashier's Offices for the Period January 1 through June 30, 2005

**Presented by:** Mr. Morley Barnett, Inspector General

**Phone:** 561-297-3682

Report No. FAU 06/07-1  
Report Issue Date: October 31, 2006

FLORIDA ATLANTIC  
UNIVERSITY™

*Office of Inspector General*

Audit Report: *Broward Cashier's Offices*  
For the Period January 1 through June 30, 2006

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of Florida Atlantic University and its governing bodies and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

**REPORT ON THE AUDIT OF  
BROWARD CASHIER'S OFFICES**

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OFFICE OF INSPECTOR GENERAL  
Florida Atlantic University

MEMORANDUM

TO: Frank T. Brogan  
President

FROM: Morley Barnett  
Inspector General

DATE: October 31, 2006

SUBJ: AUDIT OF BROWARD CASHIER'S OFFICES

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of the Cashier's Offices of the Broward Campuses at Florida Atlantic University for the period January 1 through June 30, 2006. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

We have made twelve recommendations to address our findings. We concur with the responses of the auditee which have been incorporated into the report. In accordance with our established procedures, follow-up will be performed subsequent to the issuance of this report to determine effective implementation of our recommendations by management.

Please call me if you have any questions.

cc: University Provost  
Vice Presidents  
Auditee  
FAU BOT Audit and Finance Committee  
Chancellor, State University System of Florida  
Florida Auditor General

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## EXECUTIVE SUMMARY

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of the Cashier's Offices at the Broward Campuses of Florida Atlantic University for the period January 1 through June 30, 2006.

Our audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited; customer refunds were valid, properly supported and authorized, and accurately processed; and, physical security measures for the safeguarding of personnel and monetary assets of the cashier's offices were adequate.

Audit procedures included, but were not limited to, a review of written operating policies and procedures, inquiries of cashier's office employees, an evaluation of key internal controls, and compliance testing of selected money collection and customer refund transactions.

Based on the testwork performed, we have concluded that the Broward cashier's offices were in general compliance with applicable laws, rules, regulations, policies, and procedures, and sound business practices, pertaining to the audited cashiering operations. However, we did identify opportunities for improvement in the general areas of:

- Transaction documentation and accountability;
- Segregation of duties; and,
- Asset security.

The details of all findings, as well as suggestions for corrective action, can be found in the Comments and Recommendations section of this report.

**FAU**  

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**OFFICE OF INSPECTOR GENERAL**  
Florida Atlantic University

October 31, 2006

Frank T. Brogan  
President  
Florida Atlantic University  
Boca Raton, Florida

Dear President Brogan:

**SCOPE AND OBJECTIVES**

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of the Cashier's Offices at the Broward Campuses of Florida Atlantic University for the period January 1 through June 30, 2006.

Our audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited; customer refunds were valid, properly supported and authorized, and accurately processed; and, physical security measures for the safeguarding of personnel and monetary assets of the cashier's offices were adequate. Audit procedures included the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as the performance of compliance testing on samples of money collection and customer refund transaction documentation to determine whether control procedures were operating effectively.

We obtained an understanding of the operations of the Broward cashier's offices by reviewing written policies and procedures, interviewing key personnel, observing actual practices, and evaluating key internal controls.

Our assessment of compliance with applicable laws, rules and regulations, and established policies and procedures, was based on reviews of pertinent supporting documentation for judgementally selected fiscal transactions. Populations, sample sizes, and selection methods were determined based on our evaluation of internal controls, our assessment of audit risk, the availability of pertinent university records, and other factors including auditor judgement.

We conducted our audit in accordance with the Institute of Internal Auditors' International Standards

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for the Professional Practice of Internal Auditing.

## BACKGROUND

The university operates two cashier's offices in Broward County - one each at the Davie and Ft. Lauderdale campuses. These offices receive and process payments from students and other customers over-the-counter, as well as via drop-box and mail. Apart from their money collection responsibilities, the cashier's offices are involved in issuing parking decals/permits; processing credit card customer refunds; conducting research for specified reconciling items appearing on the university's bank account reconciliations; and, performing other fiscal operations. During the audit period, each office was staffed by a full-time cashier assisted by other employees who provided supervisory support and administrative oversight. Approximately five employees were involved in varying degrees in the daily operations of both cashier's offices.

The Broward cashier's offices utilize the SalePoint cashiering system to process customer payments for tuition and fees, and other sundry items. The BOSSCARS system is used to process the issuance and sale of parking decals/permits, as well as payments received for traffic fines. It should be noted that the university is planning to convert all its cashier's offices to the TouchNet cashiering system during the 2007 spring semester. Given this situation, it is possible that successful implementation of management's action plans to address certain of our audit recommendations could be influenced by the capabilities and characteristics of the planned new system.

## COMMENTS AND RECOMMENDATIONS

### Current Findings and Recommendations

#### *Untimely Review and Deposit of Daily Money Collections - Ft. Lauderdale Cashier's Office*

Compliance testing of the records for monetary collections processed on the SalePoint and BOSSCARS systems - where applicable - for 20 judgementally selected business days during the audit period, resulted in the following exceptions for the Ft. Lauderdale cashier's office:

- Nineteen *Daily Cash Receipt Reports* (SalePoint) and two *Daily Cash Receipt Report and Teller Summary* reports (BOSSCARS) were not signed as being reviewed by the supervisor on a timely basis. The reports were reviewed one to 36 business days after the transaction dates. Timely supervisory review is important for ensuring that monies collected by the cashiers are correctly reconciled to the appropriate system control totals.
- Five daily money deposits - four for SalePoint transactions and one for BOSSCARS transactions - were not made timely to the bank. The deposits (totaling \$1,038.15) were not delivered to the bank until five to eight business days after receipt by the cashier's office. Delays in delivery of the daily money deposits to the bank increase the risk of loss, theft, or misappropriation of funds.

Recommendation No. 1

To mitigate the risk of loss, theft or misappropriation of funds, we recommend management ensure that the daily money collections of the Ft. Lauderdale cashier's office are reviewed by a supervisor no later than one business day after receipt, and promptly deposited to the bank.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the Inspector General's request by verifying daily collections no later than one business day with faxed documents followed by a physical verification by a supervisor two to three times a week, as the cashier supervisor's home office is at the Davie campus. The Ft. Lauderdale cashier is advised to call Brinks (armored courier service) whenever they miss a deposit pick-up, and notify the supervisor immediately.

**Implementation Date:**

10/31/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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*Lack of Mail & Drop-Box Logs - Ft. Lauderdale Cashier's Office*

During the audit period, the Ft. Lauderdale cashier's office did not have a mail or drop-box log, and, as such, there was no means to readily identify payments received via mail or drop-box, or the employees who handled and processed these monies. The lack of a mail/drop-box log decreases the likelihood that, should a shortage or defalcation occur, the responsible party could be identified.

Recommendation No. 2

We recommend management ensure that mail and drop-box logs are established and maintained for the Ft. Lauderdale cashier's office. At a minimum, the log(s) should be initialed/signed by the preparer, processing cashier, and reviewing supervisor, in order to maintain an adequate trail of accountability for the handling, processing, and reconciliation of all mailed/dropped payments received by the office. Appropriate mail/drop-box payment handling procedures should be incorporated into the Broward cashier's offices operations manual.



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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by maintaining a consolidated mail/drop-box log and incorporating the procedure into the cashier's offices operations manual.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Accounting for Cash Shortages/Overages - Davie & Ft. Lauderdale Cashier's Offices**

Based on discussions with management, we noted that while unresolved cash shortages/overages were being recorded on the cashier's *Daily Cash Receipts Report*, these differences were not being posted to the Banner Finance system. Although management has asserted that cashiers generally have only infrequent, immaterial cash shortages/overages, proper accounting practices dictate that all cash differences be recorded on the university's financial system.

**Recommendation No. 3**

We recommend management ensure that unresolved cash shortages/overages by cashiers be recorded on the Banner Finance system. To facilitate this process, a Receipt Correction Voucher (RCV) should be completed and forwarded to the Controller's Office for posting to the appropriate cash over/short account. To foster future compliance, the aforementioned procedure should be incorporated into the Broward cashier's offices operations manual.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by having a RCV processed for unresolved cash shortages/overages, and will incorporate the procedure into the Broward cashier's offices operations manual.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Inadequate Accountability for Parking Decals/Permits Purchased via Deferred Payment Arrangements - Davie & Ft. Lauderdale Cashier's Offices**

A review of the inventory control log maintained by the Ft. Lauderdale cashier's office for faculty/staff parking decals (2005/06) for the audit period, indicated three instances where decals were logged out as being issued to employees who were represented as having purchased the decals via payroll deduction, but for whom payroll deduction authorization forms could not be found on file. We were unable to confirm via review of the Banner Human Resources (HR) system or inquiry of the Traffic and Parking department that the employees paid for the decals - valued at \$28.50 each - via payroll deduction.

Upon inquiry of management, we determined that neither the Ft. Lauderdale nor Davie cashier's offices were performing follow-up to help ensure that customers to whom they had sold parking decals/permits via payroll deduction, or other delayed payment arrangements such as departmental *Expenditure Transfer Forms* (ETFs), subsequently paid the amounts for which they were liable.

**Recommendation No. 4**

We recommend the Broward cashier's offices develop and implement procedures to help ensure that customers to whom they sell parking decals/permits via payroll deduction, or other delayed payment arrangements, subsequently pay the amounts for which they are liable.

At a minimum, copies of the appropriate forms completed by the customers should be kept on file in the cashier's office, and follow-up should be performed to ensure that the original forms are received by the applicable FAU department, e.g., Traffic and Parking, Controller's Office, etc., to which they are sent for processing.

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**Management's Response**

**Action Plan:**

Management agrees with the recommendation and will comply with the request by developing and implementing procedures, maintaining copies of the forms completed by the customers in the cashier's office, and forwarding the original forms with the daily report to Traffic & Parking for processing.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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*Inadequate Segregation of Conflicting Duties - Davie & Ft. Lauderdale Cashier's Offices*

Based on testwork performed, we determined that the cashiers and supervisors of the Broward cashier's offices have the ability to directly post financial transactions - including credit card refunds and tuition waivers - to students' accounts on the student information system (SIS) concurrent with having update access to the SalePoint cashiering system and the capability to post credit card refunds to customers' credit card accounts. Both the cashier and supervisor of the Davie cashier's office are authorized to process over-the-counter refunds to customers' credit card accounts via a designated Bank of America terminal - located at the Davie cashier's office - whereas only (Davie and Ft. Lauderdale) supervisors have the capability to process Web (Internet) refunds to customers' credit card accounts via the TouchNet Payment Gateway system.

Management has indicated that it is operationally necessary for cashier's office personnel to have update access to the Billing & Receivables (BR) application of SIS in order to efficiently post credit card refunds to students' accounts, timely process manual entries which may be required to correct any daily reconciling differences between the SalePoint and SIS systems, and post other essential transactions.

Ideally, the duties of direct financial update of students' SIS accounts should be segregated from the cashiering function. Currently, cashier's office employees have the potential to misappropriate monies collected, and conceal the misappropriation, by posting unauthorized financial transactions to students' SIS accounts and ultimately the Banner Finance system. In addition, certain employees have the ability to independently process credit card refunds to customers' SIS and credit card accounts without the involvement of another employee. Compliance testing of a sample of *sixteen* credit card refunds - *twelve* Web credit card refunds and *four* over-the-counter credit card refunds - disbursed to students during the audit period indicated that all these refunds were exclusively processed by one (Davie) cashier's office employee. Although the tested refunds were valid, these results underscore the need for better segregation of duties in this area.

**Recommendation No. 5**

To optimize controls, we recommend management consider segregating cashiering duties from the function of direct financial update of students' SIS accounts. All cashiering tasks - including the processing of refunds to customers' credit card accounts - should be the exclusive responsibility of the cashier's office. The responsibility for directly updating students' billing and receivables records on

the SIS should reside with authorized employees of the Student Accounts unit of the Controller's Office. However, given management's operational concerns, one alternative to improve controls could be to restrict SIS-BR update access to cashiering supervisors only, and/or limit the update access of cashiers/supervisors to only those specific BR screens that are functionally necessary.

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### Management's Response

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#### **Action Plan:**

Management has reviewed SIS access for all cashier personnel and found that limiting access would adversely affect operations. Management accepts the risk based on the cost/benefit ratio. Access will be reviewed again when Banner for Students is implemented. The anticipated go-live date is March 2007.

#### **Implementation Date:**

3/30/07

#### **Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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#### **Ineffective Brinks Courier Authorization Procedures - Davie & Ft. Lauderdale Cashier's Offices**

##### **Davie Cashier's Office**

Based on testwork performed, we determined that the authorized Brinks (armored courier) signature list on file at the Davie cashier's office during the audit period was not up-to-date. As such, we were unable to *initially* verify that the courier who picked-up the office's daily bank deposits for 20 business days - judgementally selected for testwork - was authorized, since his name and signature were not recorded on the office's signature list (dtd. 6/1/98). After we brought this issue to management's attention, a current authorized courier signature list (dtd. 8/8/06) was obtained from Brinks, and we were *subsequently* able to authenticate the signature of the courier in question.

##### **Ft. Lauderdale Cashier's Office**

Compliance testing indicated that the Ft. Lauderdale cashier's office did not have an authorized Brinks (armored courier) signature list on file during the audit period. Cashier's office personnel were relying solely on the courier's photo identification badge to determine whether he was a *bona fide* Brinks employee. Given the absence of a current signature list, we were *initially* unable to verify that the courier who picked-up the office's daily bank deposits (where applicable) for 20 business days - judgementally selected for testwork - was authorized. During the course of fieldwork, management was able to obtain a current authorized courier signature list (dtd. 8/8/06) from Brinks, and we were *subsequently* able to authenticate the signature of the courier in question.

Recommendation No. 6

We recommend management ensure that cashier's office personnel verify the signature of the courier on the Brinks shipment receipt log to a current authorized signature list prior to releasing the daily bank deposits. In addition, an updated courier list should be obtained from Brinks whenever there are courier personnel changes but no less frequently than quarterly. To facilitate better compliance in the future, the aforementioned procedures should be incorporated into the Broward cashier's offices operations manual.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by verifying the signature of the Brinks courier, obtaining an authorized Brinks courier list at least quarterly, and incorporating the procedure into the Broward cashier's offices operations manual.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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*Inadequate Physical Security of Negotiable Assets - Davie & Broward Cashier's Offices*

*Davie Cashier's Office*

During the course of fieldwork, we observed - on 8/11, 8/14, and 8/15/06 - that the cashiers at the Davie cashier's office neither logged-off their computers nor locked their cash drawers when they were away from the office. Further, the keys assigned to each of the office's three cash drawers were interchangeable, and were kept in each drawer's lock at all times. In addition, we observed on 8/14 and 8/15/06 that the office's combination safe was not locked when the cashier left the office during the business day. Unless the money storage areas of the office are properly secured when they are not under the visual control of the cashiers, there is an increased risk of loss, theft, or misappropriation of university funds.

*Ft. Lauderdale Cashier's Office*

We observed that the keys assigned to the two cash drawers of the Ft. Lauderdale cashier's office were interchangeable, and were kept in each drawer's lock at all times. In addition, we observed that the key to the

office's payment drop-box was unassigned and kept in the drop-box lock at all times. Notwithstanding management's assertion that there was a low volume of drop-box activity, access to any contents of the drop-box was unrestricted to all employees with access (keys) to the office - currently five individuals. This lack of accountability decreases the likelihood that, should a loss, theft, or misappropriation of funds occur, the responsible party could be identified.

Recommendation No. 7

We recommend management ensure that all monetary assets are kept in physically secure storage areas which should be kept locked when not in use or otherwise under the visual control of the custodians. To facilitate compliance, access to all asset storage facilities should be assigned to designated employees. In addition, management should consider having the locks of all cash drawers re-keyed such that each drawer has a unique key which can be assigned to the designated custodian of the cash drawer.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by assigning access to the cash drawers and drop-box to designated employees. The interchangeable cash drawer key situation will be corrected with the implementation of the TouchNet cashiering system. The anticipated implementation date for TouchNet is March 2007.

**Implementation Date:**

3/30/07

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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*Lack of Employee Key & Combination Assignment Logs - Davie & Ft. Lauderdale Cashier's Offices*

Employee key and combination assignment logs are important in terms of recording the keys/codes/combinations issued to employees to allow them access to the general office area, safe, and other asset storage areas of the cashier's offices. In addition, these logs serve to document the return of specific keys by terminating employees as well as the dates on which codes/combinations assigned to ex-employees are changed.

Although a list of Broward employees with access to certain asset storage facilities was documented in the security procedures of the Broward cashier's offices, we noted that employee key and combination assignment logs were not being maintained. Moreover, based on discussions with

management, we noted that there were errors and omissions in the employee key/code/combination assignments documented in the written security procedures (dtd. 5/19/05) as follows:

- The employees with knowledge of the verbal codes (passwords) for the alarm systems at the Ft. Lauderdale & Davie cashier's offices were not recorded;
- The lists of employees with keys to the Ft. Lauderdale & Davie cashier's offices were not accurate;
- The employees authorized to have keys to the payment drop-box at the Ft. Lauderdale cashier's office were not recorded;
- The employees with knowledge of the combination to the payment drop-box of the Davie cashier's office were not recorded;
- The list of employees with knowledge of the alarm (numeric) code for the alarm system at the Davie cashier's office was not accurate; and,
- The lists of employees with knowledge of the combinations to the safes of the Davie and Ft. Lauderdale cashier's offices were not accurate.

Without logs, there is inadequate accountability for access to asset storage areas, and management has no assurance that all keys/codes/combinations issued to employees will be returned/changed upon their termination.

**Recommendation No. 8**

We recommend management ensure that an up-to-date key and combination assignment log is maintained for each employee with access to the cashier's offices and/or their asset storage areas. Given the discrepancies cited, management should consider conducting an inventory of all keys, codes, and combinations issued, in order to accurately document the key/code/combination assignment for each affected employee on a new individual log to be signed-off by the employee. To facilitate future compliance, the procedures for maintaining current logs should be documented in the Broward cashier's offices operations manual.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by maintaining an up-to-date key and combination assignment log for each employee, and will incorporate the procedures into the Broward cashier's offices operations manual.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Lack of Periodic Surprise Cash Counts of Operating Change Funds by Management - Davie & Ft. Lauderdale Cashier's Offices**

Management was not conducting periodic surprise (unannounced) cash counts of the operating change funds of the Broward cashier's offices. Given that these funds were not maintained under dual control, or the sole custody of a designated employee, the performance of periodic surprise counts would serve to identify and deter any loss, theft, or misappropriation of the monies. Although the funds were kept under restricted access in a safe when not in use, the fact that more than one employee had access to the safe would make it difficult to affix responsibility in the event of defalcation of these assets. We observed that the Davie cashier's office had *three* operating change funds of \$200 each, while the Ft. Lauderdale cashier's office had *two* operating change funds of \$100 and \$85 respectively.

**Recommendation No. 9**

We recommend that management perform periodic surprise cash counts of the operating change funds of the Broward cashier's offices on at least a quarterly basis. The counts should be conducted by a managerial/supervisory employee in the presence of the designated fund custodian; documented on an appropriate cash count form; and signed-off and dated by the employees involved in the count. To promote future compliance, the recommended procedure should be included in the written operating procedures of the cashier's offices.

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**Management's Response**

**Action Plan:**

Management agrees with the recommendation and will comply with the request by conducting surprise cash counts at least quarterly, and will incorporate the procedures into the Broward cashier's offices operations manual.

**Implementation Date:**

11/30/06



**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Inadequate Testing of Alarm Systems - Davie & Ft. Lauderdale Cashier's Offices**

Our review of the pertinent alarm testing records indicated that the alarm systems - door sensor/motion detector and panic alarm buttons - of the Davie and Ft. Lauderdale cashier's offices had not been tested during the audit period. *Prior* to the audit period, the Davie cashier's office alarms were last tested on 7/23/04, while the alarms of the Ft. Lauderdale cashier's office were last tested on 10/28/05. *Subsequent* to the audit period, the alarm systems of the Davie and Ft. Lauderdale cashier's offices were tested on 8/4/06.

In addition to the lack of timely testing of the alarms, our review of the test records for the Broward cashier's offices indicated the following documentation deficiencies:

- The Ft. Lauderdale cashier's office *Security Log* did not indicate the initials/signatures of the employees performing the alarm test, the specific alarm equipment tested, and the results of the test; and,
- The Davie cashier's office *Alarm Test - Hold Up and Interior Alarms for Davie Campus* log did not indicate the results of the alarm test.

**Recommendation No. 10**

We recommend that Broward cashier's office personnel comply with established security procedures which require the testing of the alarms once each semester. To facilitate compliance, adequate documentation of the tests, such as the dates and times performed, descriptions of the equipment tested, the initials/signatures of the employees conducting the tests, and the results of the tests, should be maintained.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by conducting alarm testing at least once a semester, and maintaining a log with test results.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Infrequent Staff Reviews of Security Procedures - Davie & Ft. Lauderdale Cashier's Offices**

Based on discussions with management, we noted that the written security procedures of the Broward cashier's offices were being reviewed with applicable employees on an annual basis. In our opinion, this frequency was not adequate to ensure that employees would be able to effectively respond and react to security threats such as robberies. In addition, we noted that a log or other appropriate record was not being used to document the security meetings of the staff of the Broward cashier's offices.

**Recommendation No. 11**

In order to promote greater security awareness, and better protect the personnel and monetary assets of the Broward cashier's offices, we recommend that the security procedures be reviewed with all pertinent personnel on at least a semi-annual basis. Adequate documentation of the security reviews, e.g., meeting minutes, agendas, sign-in sheets, memoranda, etc., should be maintained on file. To help ensure consistent compliance, the aforementioned procedures should be reflected in the operations manual of the cashier's offices.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by reviewing the security procedures with cashiering personnel on a semi-annual basis, and will incorporate the procedures into the Broward cashier's offices operations manual.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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Inventory Control Weaknesses for Parking Decals/Permits Issued/Sold - Davie & Ft. Lauderdale Cashier's Offices

Based on discussions with management, and a review of the inventory control logs maintained by the Broward cashier's offices for various parking permit/decal types for the 2005/06 academic year, we noted the following deficiencies:

Davie Cashier's Office:

- There were no inventory control logs for one-day prepaid parking permits or handicapped parking permits;
- The initials of the cashier, initials of the reviewing supervisor, and date of periodic supervisory review were not documented on the inventory control logs for student commuter parking decals, temporary parking permits, faculty/staff parking decals, motorcycle parking decals, and Wellness Center parking decals;
- The initial receipt of temporary parking permits, Wellness Center parking decals, one-day prepaid parking permits, and handicapped parking permits from the Traffic & Parking Department, were not documented on the inventory control logs and/or other appropriate records maintained by the cashier's office; and,
- A perpetual balance of unissued decals/permits on hand was not being recorded on the inventory control logs for motorcycle parking decals, Wellness Center parking decals, and temporary parking permits.

Ft. Lauderdale Cashier's Office:

- There was no inventory control log for temporary parking permits issued by the office during the audit period. In addition, there was no documentation of the initial receipt of these items from the Traffic & Parking Department. During the course of fieldwork, management began corrective action by establishing a log for temporary parking permits for academic year 2006/07 which indicated, among other things, a perpetual balance of the unissued permits on hand; and,
- The initials of the cashier, initials of the reviewing supervisor, and date of periodic supervisory review were not documented on the inventory control logs for student commuter parking decals and faculty/staff parking decals.

Recommendation No. 12

In order to ensure proper accountability, and mitigate the risk of loss, theft, or misappropriation, we recommend that an inventory control log be maintained for each parking decal/permit type issued/sold by the Broward cashier's offices on consignment from Traffic & Parking. The logs should document the receipt of incoming shipments of unissued items; the issuance of decals/permits to customers; the return of unused items to Traffic & Parking; and, the perpetual balance of unissued decals/permits on hand. *At a minimum*, the logs should indicate the issue date, decal/permit number, fee amount (if any), initials of the cashier, initials of the reviewing supervisor, and date of periodic supervisory review for each item issued to a customer. Management should also *consider* including the customer's name and

the BOSSCARS receipt number on all logs, where applicable.

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### Management's Response

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**Action Plan:**

Management agrees with the recommendation and will comply with the request by maintaining an inventory control log for each decal/permit type. Logs are maintained on the computer by the cashier and are printed for supervisory review on a weekly basis. Both the cashier and supervisor initial and date the logs.

**Implementation Date:**

11/30/06

**Responsible Auditee:**

Idiculla John, AVP - Broward Administrative Services

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**Prior Audit Recommendations**

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three fiscal years, there have not been any audits conducted that relate to the Broward cashier's offices. Accordingly, a follow-up on prior audit findings is not applicable.

### CONCLUSION

Based on the results of the audit tests performed, it is our opinion that the evaluated operations of the Broward cashier's offices were being conducted in general compliance with applicable laws, rules and regulations, university policies and procedures, and sound business practices. Notwithstanding this assessment, we have made several recommendations to improve internal controls which we believe are cost-beneficial to implement.

We wish to thank the staff and management of the Broward cashier's offices for their kind cooperation and assistance which contributed to the successful completion of this audit.



Morley Barnett, CPA, CFE  
Inspector General

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