

May 30, 2016

## Revenue Services Cash Handling Review

### Background

Internal Audit was engaged by Human Resources to conduct a review of Revenue Services cash handling controls in response to a whistleblower complaint related to this area. The objective of the review was to ensure that efficient and effective internal controls are in place over safeguarding cash at the Revenue Services Customer Service office.

### Scope

The Revenue Services Customer Service office processes payment collections for property tax, utilities, and ticketing fines. The Customer Service office handles a significant amount of cash on a daily basis, particularly during the period before the property tax due dates in February and July each year. The cash office, located in a secured area within Revenue Services, is primarily used as a secure area to count cash for deposits and for storing daily floats.

The review evaluated the efficiency and effectiveness of internal controls supporting Revenue Services cash handling processes and included a site visit of the Customer Service area and cash office located within Revenue Services. The key areas reviewed included:

- Physical security of the cash office;
- Access to safes and cash handling areas;
- Tempest transaction procedures; and
- Cash skimming process.

### Conclusion

In general, internal controls relating to Revenue Services cash handling require improvement. Recommendations have been made to strengthen physical security and access as well as management review and tracking of cash discrepancies.

The review identified some areas for improvements and discussed them with appropriate management. Work is underway to address them, including:

- Restrict cash office access
- Install additional cameras in cash office and update existing cameras
- Formalize reporting of shortages and overages
- Verify cash skim amounts
- Conduct cash handling testing for temporary staff