



**Internal Audit Department
Sun Metro Money Room –
Internal Control Review
P2024-01**

Objectives

1. Review internal controls to ascertain if procedures currently being utilized are operating as intended.
2. Determine if cash handling procedures used are consistent with Departmental and City Policies.
3. Determine if the Money Room is operating in a control conscious environment.
4. The review should include sufficient tests to ascertain whether internal controls are adequate.

Scope

The time frame audited was Fiscal Years 2023 and 2024.

Observation 1

1. The *Accounting Manual* requires personnel to use pocketless uniforms.
2. There are no documented procedures for when Farebox Revenues do not balance with the amounts counted and deposited.

Recommendation

Observation 1 - Sun Metro Policies and Procedures Manual

The Sun Metro Management Staff should:

1. Provide pocketless uniforms to Money Room personnel as required by their *Manual*.
2. Document procedures for when Farebox Revenues do not balance with the amounts counted and deposited by Money Room and Accounting staff.

Observation 2

Revenue Accuracy and Deposits

1. 21 out of 27 (78%) deposits of Ticket Vending Machine (TVM) Revenue did not balance. An overall shortage of \$2,513.80 was identified. Shortage due to clerical and mechanical errors with equipment.
2. 3 out of 27 (11%) deposits of TVM Revenue were not deposited within one business day.
3. 3 out of 20 (15%) Bus Farebox Deposits had \$40.00 of quarters removed to replenish the Change Box.
4. Daily Farebox collected does not match to the revenues listed on the Daily Summary Report.

Recommendation

Observation 2 – Revenue Accuracy and Deposits

The Sun Metro Management Staff overseeing the Money Room should:

1. Deposit Ticket Vending Machine (TVM) Revenues within one business day after its receipt.
2. Have a change fund dedicated to replenish TVMs and avoid taking monies out of the Bus Farebox deposit.
3. Accurately reconcile Farebox Revenue utilizing the Daily Summary Report. The Report should be adjusted to include the total revenue inside the locked bin to include Farebox Revenue received after midnight.

Conclusion

1. Sun Metro Money Room is operating in a control conscious environment.
2. Sun Metro has proper segregation of cash handling duties.
3. Sun Metro should provide pocketless uniforms to Money Room Staff.
4. *The Accounting Manual* should document procedures in the event that Farebox Daily Revenue Reports do not reconcile with amounts deposited.

Conclusion (Cont.)

5. Revenue should be deposited within one business day after its receipt.
6. A change fund should be created to replenish Ticket Vending Machines.
7. The Farebox Revenue should be accurately reconciled to revenue reports.

Management Response

Observation 1 - Sun Metro Policies and Procedures Manual

1. *Sun Metro Accounting Manual* section 11.23 article 1 has been revised to state:
 - *“Money room employees are required to wear pocketless shirts provided by Sun Metro. Pants can be casual wear either pocketless or pockets must be sewed closed.”*
2. Sun Metro is in process of developing an SOP to handle and investigate variances between the Money Room count and the Genfare/Flowbird Daily Summary Report.

Management Response (Cont.)

Observation 2 – Revenue Accuracy and Deposits

1. Sun Metro will continue to investigate Ticket Vending Machine shortages/overages.
2. Upon Office of The Comptroller review and their decision Sun Metro will adjust its procedures to be in accordance with the decision/changes to Cash Management Policy.
3. Procedure was revised to overages/shortages and replenishment of Ticket Vending Machine's coin tekpak will be taken from Change Fund.

Management Response (Cont.)

Observation 2 – Revenue Accuracy and Deposits

4. Sun Metro will work more closely with Operations and Maintenance section to see if the probing timing issue can be lessened thus improving our variances.

We are also working with Sun Metro IT Department and Genfare to see if the Daily Summary Report can be modified so we can select modified time frame other than the midnight to midnight currently available in order to capture those instances when the probing goes beyond the midnight cutoff.

Sun Metro is in process of developing an SOP to handle and investigate variances between the Money Room count and the Genfare/Flowbird Daily Summary Report.

Q & A