

OFFICE OF THE CITY AUDITOR AND CLERK
INTERNAL AUDIT



ROW PERMIT CASH RECEIPTS FOLLOW-UP AUDIT

AUDIT #22-06

Audit Conducted by:
Renee Elario, Senior Internal Auditor
Mark Sulloway, Senior Internal Auditor
Hayden Gaston, CIA, Manager, Internal Audit

Audit Reviewed and Approved by:

A handwritten signature in blue ink that reads "Shayla Griggs".

You can obtain copies of this report by contacting us at:

Office of the City Auditor and Clerk

1565 1st Street
Sarasota, FL 34236

(941) 263-6442

Or download and view an electronic copy by visiting:

www.sarasotagov.com

Contents

Summary..... 1

Background.....1

Objective1

Audit Standards1

Scope.....1

Overall Evaluation1

Audit Observations..... 2

Original Audit Comment and Observation/Recommendation..... 2

Summary

Background

We have conducted a follow-up audit of Audit #21-06, ROW Permit Cash Receipts performed during fiscal year 2021. The purpose of the follow-up audit is to determine the implementation status of our previous recommendations. The original audit objectives were to:

- 1) Determine if internal controls are operating as intended for safeguarding collections of ROW cash receipts.
- 2) Determine if customer payment receipts are properly recorded, deposited, and reconciled.

Objective

The objective of the follow-up audit was to review and evaluate the conditions reported in the ROW Permit Cash Receipts Audit (Audit #21-06), dated March 24, 2021, to determine if corrective actions have occurred and are effective, corrective actions appear to be continuous; and those corrections are monitored to ensure the identified control weakness are not repeated.

Audit Standards

The follow-up audit was conducted based on the International Standards for the Professional Practice of Internal Auditing issued by The Institute for Internal Auditors and Generally Accepted Government Auditing Standards.

Scope

The follow-up audit procedures were applied to the records, documents, and controls in effect during the period of May 1, 2021 through September 30, 2021. Follow-up audits limit the scope to observations and recommendations presented in the original audit report.

Overall Evaluation

We found that Engineering is reviewing daily transactions posted by Development Services (DS) against their ROW revenue posted on a daily basis. DS has implemented new reports to identify the ROW revenue they receive and Engineering has new processes to reconcile ROW revenue from FTG to FMS on a monthly basis. These updated processes have closed the original audit recommendation.

Audit Observations

The original audit observations and the status of the observations after follow-up testing are identified below. The original audit report (Audit 22-06, issued March 24,2021) can be viewed on the City Auditor and Clerk's website under Internal Audit – Reports.

Original Audit Comment and Observation/Recommendation

Observation - ROW daily cash reports are not subtotaled, reconciled, or reviewed from FTG to FMS.

Internal Audit recommended DS prepare and forward a daily FTG cash receipts report listing of ROW payment transactions to Engineering. Engineering should review and compare the FTG cash receipts report with the ROW payment transactions and resolve any discrepancies in a timely manner, if applicable. Engineering should also review FMS accounting entries of ROW permit fees to confirm payments are recorded to the correct account within FMS on a monthly and annual basis. DS daily cash receipts reports should separately identify and total revenue received by permit type.

Current Status

Closed – Follow-up testing determined that DS and IT worked to create a Construction Permit Payment Report from FTG that breaks out their various payments received by transaction type, count and total payment amounts for each. This report summarizes the revenue received by the various types they receive, including ROW revenue. They also created a Construction Dept Deposit report that gives detailed information for every revenue type they receive. Both reports are attached to transactions entered in FMS as backup. DS also created a summary reconciliation sheet to tie all their revenue received in FTG to FMS and explain any differences if there are any.

Engineering receives the Construction Permit Payment Report on a daily and monthly basis from DS. They use the daily report to compare to the ROW revenue they receive and investigate any discrepancies immediately. Monthly, this report is used to reconcile against ROW revenue from FMS. Each amount is traced to the posted transaction in FMS and then signed off on as reviewed.