



Office of the City Manager

INFORMATION CALENDAR

May 22, 2007

To: Honorable Mayor and
Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Robert Hicks, Acting Director, Finance Department

Subject: Parks, Recreation & Waterfront Cash Receipts/Cash Handling Audit – Status Report

INTRODUCTION

At the request of the Director of Parks, Recreation and Waterfront (PRW), the City Auditor's Office conducted an audit of cash receipts/cash handling in PRW during 2002. The purpose of the audit was to review procedures related to cash receipts and cash handling operations at eight PRW locations in the City.

The Auditor's report was submitted to Council on September 17, 2002, and a joint status report was provided on July 15, 2003 by the Finance and PRW Departments. This report updates the status of outstanding recommendation 2.1 in the Finance section of the Audit report, and Finance will provide an update on the implementation of this recommendation by May 2008. In addition, Audit recommendation 3.1 in the section addressed to Finance and Information Technology (IT) recommends development of an Administrative Regulation over the acquisition and/or modification of vendor software requested by the City's programs. The implementation status of this recommendation will be reported by December 2007.

The complete PRW Cash Receipts/Cash Handling Audit can be found on the City's website at: <http://www.cityofberkeley.info/auditor/currentaudits.htm>, and the previous update can be found at: <http://www.ci.berkeley.ca.us/citycouncil/2003citycouncil/packet/071503/2003-07-15%20Item%2064.pdf>.

CURRENT SITUATION AND ITS EFFECTS

All but two of the recommendations in the Audit Report were previously resolved. As indicated, above, a status report on recommendation 3.1 will be provided by December 2007. This report provides the current status of outstanding recommendation 2.1:

Finding 2.1: Cash Handling Training Is Not Being Conducted On A Regular Basis.

Recommendation 2.1: The Finance Department should re-establish and maintain the cash handling training program for cash handling staff on a Citywide basis as described in the corrective actions memorandum for City Council Information dated March 2, 1993. Training should be available quarterly, and include testing and certification of staff.

Status: Not Implemented. Resources to conduct cash handling and other Citywide training have been unavailable. Funding to support resumption of this training is included in the FY 2008 and FY 2009 budget proposal. This training will resume during fiscal year 2008 and thereafter, with a regular schedule of classes.

BACKGROUND

The PRW Cash Handling/Cash Receipts Audit was part of a larger Citywide audit of cash handling processes conducted during 2002. Similar audit findings and recommendations affecting various cash handling locations have been implemented, or are underway to improve these operations and reduce risk to the City.

POSSIBLE FUTURE ACTION

Finance will be re-establishing a training program, including cash handling, in Fiscal Year 2008.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Resources to conduct training are in the proposed FY 2008 and FY 2009 Budgets.

CONTACT PERSON

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