



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Finance

DCM: Bryan Langley

Date: September 12, 2017

SUBJECT

Receive a report and hold a discussion regarding a review of select City cash handling locations.

BACKGROUND

The purpose of this item is to inform the Audit/Finance Committee (“Committee”) that staff completed a review of select City cash handling locations (“CHLs”) to identify and improve internal controls in the collection of cash, checks and debit/credit card payments. A group of seven (7) staff members from Finance and Utility Billing was assembled and assisted by an external firm, Gradient Solutions Corporation, in this initial set of reviews. The goal in utilizing an external firm was to assist staff in setting up a process that could be duplicated for future reviews of other CHLs. Additionally, the City’s Internal Auditor was incorporated into this process and has provided feedback on recommendations and responses from departments. A matrix identifying staff observations, recommendations and responses from departmental management has been attached as Exhibit 1 to this agenda information sheet.

While the City currently has 33 CHLs with varying capabilities and payment volumes, only 10 were selected for this review. The City also has 5 internet payment portals for debit/credit cards and electronic checks (Library, Municipal Court, Utility Billing, Building Inspections and Parks). The number of CHLs and internet payment portals may increase or decrease based on operational needs. The 10 CHLs were selected based on management feedback, payment volumes, and level of customer interface. Below is a listing of the CHLs that were reviewed:

1. Building Inspections
2. City Jail
3. Police Warrants & Duty Desk
4. Police Records
5. Police Miscellaneous
6. Landfill/Scale House
7. Beneficial Reuse
8. North Lakes Recreation Center/Tennis Center/Golf Driving Range
9. North Branch Library
10. Animal Care & Adoption Center

Additionally, three city-wide items have been included in the attached matrix that apply to all CHLs and internet payment portals. These three items will be overseen by the Finance and Technology Services Departments.

As of 8/30/17, many of the recommendations made by the review team have been completed by the individual departments. Items not yet completed have the “Date Completed” box highlighted in yellow. Finance Department staff have oversight of the matrix and are working with departments on outstanding items. Staff anticipates that all outstanding items will be completed by the end of calendar year 2017. Reviews of remaining CHLs have not been scheduled at this time pending feedback from the Committee. However, periodic and unannounced reviews of CHLs by Treasury staff within the Finance Department have continued and has been the City’s practice. Treasury staff has historically attempted to review each CHL at least twice a year and those reviews have included on-the-spot drawer close outs and balancing, review of procedures, consultation with CHL staff and supervisors on best practices, and identification of issues that may be impacting the cash handling process.

STRATEGIC PLAN RELATIONSHIP

The City of Denton’s Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Organizational Excellence**
Related Goal: **1.1 Manage financial resources in a responsible manner**

EXHIBITS

1. Cash Handling Review Matrix as of 8/31/17

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