

# Austin Transportation Department Cash Handling Practices



## Background

During another audit, we identified risks related to cash management at the Austin Transportation Department (ATD). ATD charges and accepts payment for a variety of fees, including right of way usage fees, excavation fees, valet and sidewalk café fees, and investigation fees. Fees paid, by contractors and other permit applicants, are processed by ATD's cashier. ATD reported \$10 million in revenue from permit-related fees in FY 2018.

## What We Recommend

The Director of ATD should:

- Evaluate the continued need for ATD to collect payments.
- Immediately ensure functions are appropriately separated to safeguard City funds.
- Develop and communicate cash handling procedures.
- Ensure that out of process fees can be tracked in the City's permitting system.

## What We Found

**Critical cash handling functions at the Austin Transportation Department (ATD) are not appropriately divided, increasing the risk that City funds are not safeguarded. As a result, the department may not be effectively safeguarding City funds.**

- The City's cash handling policy requires departments to ensure that no single employee performs all aspects of cash handling.
- A single ATD employee performs key cash handling functions with limited supervisor review. Specifically, ATD cashier has authority to change bills, accept payments, generate receipts, secure cash and checks, record bookkeeping entries, and prepare cash deposits at the end of each business day.

**Many ATD employees, including permit analysts and current, backup, and former cashiers and financial staff, have more access in the City's permitting system than they should for cash handling purposes.**

- This allows them to create, change, and delete bills which could be misused to benefit the employee or a favored permittee.
- ATD does not have written cash handling procedures, which may contribute to the identified issues.

**Permittees can choose to pay certain permitting fees outside of the typical permitting process, and it is not possible to determine the total number and amount of out of process fees paid.**

- Out of process fees are recorded in paper receipt, not entered into the City's permitting system, and are recorded as a general revenue fee in the City's accounting records.
- It was not possible to determine the total number and amount of out of process fees paid.

# Austin Transportation Department Cash Handling Practices

ATD cash handling practices do not align with City

## ATD Current Practice



- Can modify invoices
- Accept payments
- Generate receipts
- Secure cash and checks
- Record bookkeeping



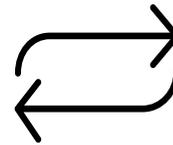
- Can modify invoices
- Reconcile bookkeeping entries

## City of Austin Policy

Each reviews the other's work



- Accept payments
- Generate receipts
- Secure cash and checks
- Prepare deposits



Source: OCA Analysis of ATD cash handling practices compared to City's cash handling policy, September 2018