MAIN AND SATELLITE CASHIERING

CALIFORNIA STATE UNIVERSITY,
SAN MARCOS

Audit Report 10-23
May 3, 2010

Members, Committee on Audit

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APPENDICES

APPENDIX A: Personnel Contacted
APPENDIX B: Campus Response
APPENDIX C: Chancellor’s Acceptance

ABBREVIATIONS

ASI  Associated Students Incorporated
ATS  Accounting and Technology Services
CC   Copy Center
CSU  California State University
CSUSM California State University, San Marcos
EL   Extended Learning
GC   Government Code
ICSUAM Integrated CSU Administrative Manual
FISMA Financial Integrity and State Manager’s Accountability Act
OUA  Office of the University Auditor
PCS  Parking and Commuter Services
SAM  State Administrative Manual
SFS  Student Financial Services
SHS  Student Health Services
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last two quarters of 2009, the Board of Trustees, at its January 2010 meeting, directed that Main and Satellite Cashiering be reviewed. The Office of the University Auditor had previously reviewed main and satellite cashiering activities in the biennial Financial Integrity and State Manager’s Accountability (FISMA) audits, the last of which was performed on campus in 2008.

We visited the California State University, San Marcos campus from January 25, 2010, through February 10, 2010, and audited the procedures in effect at that time.

Our study and evaluation revealed certain conditions that, in our opinion, could result in significant errors and irregularities if not corrected. Specifically, the campus did not maintain adequate internal control over the following areas: cashiering policies and procedures for both the main cashier and two satellite cashiers, segregation of duties for the PeopleSoft and CashNet systems for the main cashier and two satellite cashiers, and accountability for cash receipts and maintenance of safe access records at four satellite cashiers. Furthermore, change and purchase funds were not always counted at the prescribed frequency. These conditions, along with other weaknesses, are described in the executive summary and body of this report. In our opinion, except for the effect of the weaknesses described above, the operational and administrative controls for main and satellite cashiering activities in effect as of February 10, 2010, taken as a whole, were sufficient to meet the objectives stated below in the “Purpose” section of this report.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

GENERAL ENVIRONMENT [6]

Cashiering policies and procedures for both the main cashier and two satellite cashiers were outdated.

SEGREGATION OF DUTIES [7]

Duties and responsibilities in the PeopleSoft and CashNet systems at the main cashier and two satellite cashiers were not sufficiently segregated.

SATELLITE CASHIERING [9]

Accountability for cash receipts and maintenance of safe access records needed improvement at four of the satellite locations we visited.
CHANGE AND PURCHASE FUNDS [12]

Change and purchase funds were not always counted at the prescribed frequency.
INTRODUCTION

BACKGROUND

Main and satellite cashiering audits involve the assessment of the adequacy of the systems of internal accounting and administrative control surrounding cash receipts, cash handling, change funds, and purchase funds at the main and satellite cashiering facilities.

The main cashier at each campus handles the majority of cash transactions for the campus. Responsibilities for the main cashier include, but are not limited to, collection of registration and other student fees using mainly cash, credit cards, debit cards, cashier’s checks, money orders, and personal checks. Other common transactions at the main cashier’s office include the collection of payments for parking permits, petty cash reimbursements, disbursements of employee checks, and all other types of payment service needs, as well as deposits, recordkeeping, and the safeguarding of cash.

Satellite cashiering includes the collection of cash at various campus and off-site locations other than the main cashier. Examples of these locations include athletics, public safety, parking and transportation, student unions, student health centers, housing, reprographics, libraries, and the performing arts, among others. These locations are most commonly known as change funds and petty cash funds, although at these locations various cash receipts may be accepted for the sale of tickets and merchandise, as well as for the collection of various fees. Typical responsibilities at these locations include collections, mostly in the form of checks, credit cards, and debit cards, but cash is also used.

Historically, main and satellite cashiering audits were performed by the California State University (CSU) Office of the University Auditor (OUA) as part of cyclical audits, based on the Financial Integrity and State Manager’s Accountability Act (FISMA) of 1983 passed by the California Legislature, and as detailed in Government Code (GC) Sections 13400 through 13407. FISMA audits were biennial internal control audits (covering accounting and fiscal compliance practices) in accordance with the International Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors) as required by GC Section 1236.

Beginning in calendar year 2010, the OUA audit risk assessment methodology changed, based on a fiscal year 2009/2010 systemwide risk assessment. Using the new procedure, the OUA worked with CSU campus executive management to identify high-risk areas in each campus. As a result of this change in risk assessment, FISMA audits were reevaluated and specific components were identified as having greater risk than others; one of those being main and satellite cashiering, because it involved liquid assets and focused on cash management and the related responsibilities and safeguards. Senior management at the CSU campuses and the CSU systemwide Office of Risk Management recommended cash as a high-risk area for audit. The main and satellite cashiering audits were developed internally to address the known and anticipated cash-related risks at the CSU campuses.
INTRODUCTION

PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the main and satellite cashiering activity and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the audit objective, specific goals included determining whether:

- Accountability for cash items is established at the earliest possible time after receipt and maintained to prevent misappropriation of funds.
- Procedures exist to ensure that all collections are deposited in an approved depository or otherwise adequately safeguarded, and correctly recorded in the accounting records.
- The campus is attempting to collect all receipts pursuant to state/federal laws and regulations.
- Cash receipts business processes, policies, and procedures are well defined, adequately documented, and reflect appropriate internal controls.
- Data security and access controls for computer systems used in the cash receipts process are in place.
- Cashiering locations are provided appropriate physical security.
- Segregation of duties in cash receipt activities is established and sufficiently maintained.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Attachment B, Audit Agenda Item 2 of the January 26 and 27, 2010, meeting of the Committee on Audit stated that main and satellite cashiering includes review of business unit cashiering procedures, cash receipts processes, change and purchase funds, and the overall accountability for cash. Proposed audit scope would include review of Trustee policy, systemwide directives, state regulations, and campus policies and procedures for controlling cash receipts; accountability for cash; safeguarding of cash; timely deposits; and accurate recordkeeping.

Our study and evaluation were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining that accounting and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor policies, letters, and directives. The audit focused on procedures in effect from January 25, 2010, through February 10, 2010. In instances wherein it was necessary to review annualized data, calendar years 2008 and 2009 were the periods reviewed.

A preliminary risk-assessment of campus main and satellite cashiering operations was used to select those areas or activities with highest risk for our audit testing. This assessment was based upon a systematic process using management’s feedback and professional judgments on probable adverse conditions and other pertinent information including prior audit history in this area. We sought to assign higher review priorities to activities with higher risks. As a result, not all risks identified were included within the scope of our review.

Based upon this assessment of risks, we specifically included within the scope of our review the following:

- Procedures for receipting and storing cash.
- Segregation of duties involving cash receipting.
- Establishment and maintenance of accountability for cash items.
- Safeguarding of cash receipts from loss or misuse.
- Accurate and timely recordkeeping of cash receipts to the general ledger.
- The administration and reconciliation of bank accounts used for cash receipts.
- Periodic campus performance of cash counts.
- Proper establishment and administration of change and purchase funds.
- Data security and access restrictions to cashiering and accounting systems.
OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

GENERAL ENVIRONMENT

Cashiering policies and procedures for the main cashier and three satellite cashiers were outdated.

We found that:

- Policies and procedures at the main cashiering office were not updated to reflect CashNet procedures. Existing policy manuals referenced Banner system cashiering operations, despite the campus having switched to the CashNet cashiering system on April 1, 2008.

- Policies and procedures for the Associated Students Incorporated (ASI) satellite cashiering facility were not updated to reflect the Spectrum cashiering system that was being used.

- Policies and procedures for the parking and commuter services (PCS) and extended learning (EL) satellite cashiering facilities were not updated to reflect CashNet procedures. Existing manuals referenced Banner system cashiering operations, despite the campus having switched to the CashNet cashiering system on April 1, 2008.

Government Code §13402 and §13403 state that management is responsible for establishing and maintaining a system of internal administrative controls, which includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions.

State Administrative Manual (SAM) §20050 states that one symptom of a deficient internal control system is policy and procedural or operational manuals that are either not currently maintained or are non-existent.

The director of accounting and technology services (ATS) stated that the campus cashiering policies and procedural manuals were not updated due to competing priorities, such as the ongoing monitoring of system functionality and data integrity for the CashNet system implementation. The ASI coordinator of student accounts and services stated that the campus had not updated the cashiering policies and procedures manuals for the Spectrum system due to management oversight. The director of student financial services (SFS) stated that she understood the importance of updated procedures for satellite cashiers, but due to competing priorities, she decided to accept the risk and wait for the Integrated CSU Administrative Manual (ICSUAM) policy to be finalized, and thereafter incorporate it into the campus policies.

Outdated policies and procedures increase the risk of misunderstandings related to the performance of duties and functions, may no longer be applicable or appropriate, and may result in inconsistent treatment and handling of issues.
Recommendation 1

We recommend that the campus review and update cashiering policies and procedures manuals to reflect current practices that utilize CashNet and Spectrum cashiering.

Campus Response

We concur. Policies and procedures shall be updated to reflect current practices that utilize CashNet and Spectrum cashiering.

Target completion date is October 15, 2010.

SEGREGATION OF DUTIES

Duties and responsibilities in the PeopleSoft and CashNet systems at the main cashier and two satellite cashiers were not sufficiently segregated.

With regard to the PeopleSoft student accounts system at the main cashier, we found that:

- Cashiers had the ability to post charges and credits (in the form of a negative charge) directly to student accounts, using the “student post page” without management review.
- Cashiers had the ability to reverse charges directly using the “charge reversal” feature in PeopleSoft without management review.
- One cashier had the incompatible access to post student accounts and process student account write-offs.

With regard to the CashNet system, we found that:

- A SFS employee in main cashiering who prepared the listing of incoming checks also had cashiering access within CashNet.
- Three PCS non-cashier employees had cashiering access within CashNet that conflicted with their other duties. The PCS department was staffed with five other employees with primary cashiering duties.
- One EL department non-cashier employee prepared deposit reconciliations, as well as student and non-credit-student fee reconciliations, and also had unnecessary cashiering access within CashNet. The EL department was staffed with two other employees with primary cashiering duties.
SAM §8080, §8080.1, and §8080.2 state, in part, that no one person will perform more than one of the following types of duties: receiving and depositing remittances, inputting receipts information, and reconciling bank accounts, and posting to the general ledger or any subsidiary ledger affected by cash transactions.

SAM §20050 states that the elements of a satisfactory system of internal accounting and administrative controls include a plan of organization that provides segregation of duties appropriate for proper safeguarding of state assets.

The ATS director stated that the campus provided employees with PeopleSoft student accounts system access to perform their established job functions. He also stated that complete segregation of duties was difficult due to lack of staff and resources in order to provide appropriate customer service to students. The ATS director further stated that the campus had not established annual review of user access rights for the CashNet system due to competing priorities, such as the ongoing monitoring of system functionality and data integrity for the CashNet system implementation and the quarterly/year-end external audit reviews of the PeopleSoft finance system.

Inadequate segregation of duties over cash handling and systems access duties increases campus exposure to loss from inappropriate acts.

**Recommendation 2**

We recommend that the campus:

a. Remove access to posting and charge reversals from cashiering staff or implement compensatory mitigating controls.

b. Remove access to process student accounts write-offs from non-supervisory cashiering staff or implement compensatory mitigating controls.

c. Review employees’ job functions and remove unnecessary PeopleSoft student accounts and CashNet cashiering access or implement compensatory mitigating controls.

**Campus Response**

We concur. We will implement compensatory mitigating controls to address access to posting and charge reversals, access to process student accounts write-offs from non-supervisory cashiering staff, and access to PeopleSoft student accounts and CashNet cashiering access.

Target completion date is October 15, 2010.
SATCHELITE CASHIERING

ACCOUNTABILITY FOR CASH RECEIPTS

Accountability for cash receipts needed improvement at four of the satellite cashiering locations.

In general, we noted that:

- ASI, EL, PCS, and student health services (SHS) did not prepare a prelisting (log) of checks received that were either erroneously addressed to their departments or intended for different departments.
- Checks received by the EL department were not always restrictively endorsed on the day of receipt.

Specifically, at ASI we noted that:

- A detailed breakdown of cash receipts (by type of collection such as cash or check) was not performed for subsequent deposit to the main cashier.
- A student assistant shared a single cash drawer with the cashier. As a result, shortages or overages were not easily attributed to the appropriate individual.
- The ASI cashier and one student assistant shared the same Spectrum logon.
- A cashier did not always receive management approval before voiding transactions. Management reviews of voids were not consistently performed, nor were they documented.

SAM §8020.1 states that all incoming mail receipts consisting of cash and negotiable instruments not payable to the state agency will be prelisted by the person opening the mail to localize accountability of these assets.

SAM §8022 states that state agency records will contain information regarding the type of collection (such as cash, check, or money order) received from each payer and that this information will be recorded so that it can be readily audited from receipts, reports of collections, or the registers, and will show by notation the amount of the check or money order presented.

SAM §8034.1 and §8023 require checks and other negotiable instruments to be endorsed on the day they are received.

The ASI Cash Handling Policy states that the employee will perform a cash count and log the cash count on a Shift Transfer Cash Log Sheet. The employee must sign the Shift Transfer Cash Log Sheet ending his/her shift and the employee beginning his/her shift.

The Compilation of Policies and Procedures for California State University Auxiliary Organizations sets sound business practice guidelines for auxiliary organizations operating within the California
State University system. Section 8.9.1, *Cash*, states that the auxiliary should receive cash in a consistent manner utilizing systems that ensure integrity of existing internal controls, with annual management review.

The *California State University Information Security Policy*, dated August 2002, states that campus policies and procedures should provide for:

- Individual unique user ID/passwords, specifically excluding shared IDs.
- Password security requirements that specify password length and complexity.
- Assignment of responsibilities, delineating the granting of access privileges.
- Reassignment of responsibilities, requiring review of access privileges.
- Termination of employment, requiring removal of access privileges.
- Access privileges controlled on a need-to-know basis for files, records, data elements, databases, applications, screens, terminals, etc.

The ASI coordinator of student accounts and services, PCS director, EL fiscal and administrative operations manager, and the SHS business manager all stated that they were not aware of the requirements to log checks not payable to their departments, and had not been provided training on this requirement. The ATS director stated that the EL department had proper cash-handling procedures from main cashiering, but additional training may be required. The ASI coordinator of student accounts and services stated that she was unaware of the campus(auxiliary) requirements.

Inadequate control over cash receipts increases the risk of loss from inappropriate acts.

**Recommendation 3**

We recommend that the campus:

a. Prepare a pre-listing (log) of cash and checks received at ASI, EL, PCS, and SHS, and ensure that all checks received are restrictively endorsed.

b. Ensure that ASI cashiering personnel complete a detailed breakdown of cash receipts for transfer to the main cashier.

c. Ensure that cash drawers are not shared and that cashier transactions are not commingled among cashiers.

d. Ensure ASI cashiering staff is given separate logons and verify that their access is appropriate within the Spectrum cashiering system.

e. Require documented management approval for voided transactions.


**Campus Response**

We concur. We will:

a. Prepare a pre-listing (log) of cash and checks received at ASI, EL, PCS, and SHS, and ensure that all checks received are restrictively endorsed.

b. Ensure that ASI cashiering personnel complete a detailed breakdown of cash receipts for transfer to the main cashier.

c. Ensure that cash drawers are not shared and that cashier transactions are not commingled among cashiers.

d. Ensure that ASI cashiering staff is given separate logons and verify that their access is appropriate within the Spectrum cashiering system.

e. Require documented management approval for voided transactions.

Target completion date is October 15, 2010.

**SAFE ACCESS RECORDS**

Maintenance of safe access records needed improvement at four satellite cashiering locations.

We found that PCS, SHS, ASI, and the Copy Center (CC) did not prepare a written record of individuals with safe combination access and the date when the safe combination was last changed.

SAM §8024 requires the retention of a record listing the names of persons knowing the present combination and the date the combination was last changed.

The California State University, San Marcos (CSUSM) Cash Handling Departments Policy and Procedure, Section XII, *Internal Control and Security*, states that a log shall be maintained of those entrusted with vault combinations and security gate keys to record changes in personnel and include dates that the combinations are changed.

The *Compilation of Policies and Procedures for California State University Auxiliary Organizations* sets sound business practice guidelines for auxiliary organizations operating within the California State University system. Section 8.9.1, Cash, states that the auxiliary should receive cash in a consistent manner utilizing systems that ensure integrity of existing internal controls, with annual management review.

The director of PCS, SHS business manager, ASI coordinator of student accounts and services, and the director of procurement and support services stated that they were unaware of the campus/auxiliary requirements.

Inadequate control over cash receipts increases campus exposure to loss from inappropriate acts.
Recommendation 4

We recommend that the PCS, SHS, ASI, and CC maintain a written record of individuals with knowledge of their respective safe combinations and the date combinations were last changed.

Campus Response

We concur. We will work with PCS, SHS, ASI and CC to maintain a written record of individuals with knowledge of their respective safe combinations and the date combinations were last changed.

Target completion date is October 15, 2010.

CHANGE AND PURCHASE FUNDS

Change and purchase funds were not always counted at the prescribed frequency.

Our review of ten petty cash/change funds operating during the calendar years 2008 and 2009 revealed that campus audit counts for four of ten funds were not performed as frequently as needed.

The CSUSM Cashiering Policy for Petty Cash/Change Fund states audits of all change and petty cash funds are to be conducted by a delegated staff member in SFS in accordance with SAM §8111.2.

SAM §8111.2 states that an employee other than the custodian will count funds in accordance with prescribed frequencies based on the dollar amount of the fund.

The ATS director stated that the audit counts were not completed due to competing departmental priorities.

Recommendation 5

We recommend that the campus implement controls to ensure that audit counts of change and purchase funds occur as frequently as required.

Campus Response

We concur. We will implement controls to ensure that audit counts of change and purchase funds occur as frequently as required.

Target completion date is October 15, 2010.
## APPENDIX A:
### PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Karen S. Haynes</td>
<td>President</td>
</tr>
<tr>
<td>Deb Fritsvoid</td>
<td>Business Manager, Associated Students Incorporated (ASI)</td>
</tr>
<tr>
<td>Victoria Garboyes</td>
<td>Cashier, ASI</td>
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<tr>
<td>Belinda Garcia</td>
<td>Director, Parking and Commuter Services (PCS)</td>
</tr>
<tr>
<td>Jerry Garcia</td>
<td>Administrative Support Analyst, Copy Center</td>
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<tr>
<td>Cindi Gordon</td>
<td>Student Financial Services Coordinator, Extended Learning (EL)</td>
</tr>
<tr>
<td>Linda Hawk</td>
<td>Vice President, Finance and Administrative Services</td>
</tr>
<tr>
<td>Tricia Henlon</td>
<td>Fiscal and Administrative Operations Manager, EL</td>
</tr>
<tr>
<td>Mary Hinchman</td>
<td>Associate Vice President, Business and Financial Services</td>
</tr>
<tr>
<td>Natalie Jorgensen</td>
<td>Learner Services Associate, EL</td>
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<tr>
<td>Chris Lambert</td>
<td>Director, Systems Operations and Development</td>
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<tr>
<td>Teresa Macklin</td>
<td>Information Security Officer</td>
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<tr>
<td>Bella Newberg</td>
<td>Director, Procurement and Support Services</td>
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<tr>
<td>Katy Rees</td>
<td>Director, Strategic Planning and Administrative Services</td>
</tr>
<tr>
<td>Marietta Kimball</td>
<td>Accounting Technician II, Student Financial Services (SFS)</td>
</tr>
<tr>
<td>Mary Kollymeyer</td>
<td>Fiscal Resource Coordinator, PCS</td>
</tr>
<tr>
<td>Marilyn McWilliams</td>
<td>Coordinator of Student Accounts and Services, ASI</td>
</tr>
<tr>
<td>Karen Nicholson</td>
<td>Director, Student Health and Counseling Services</td>
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<tr>
<td>Cindi Peters-Newlon</td>
<td>Associate Director, PCS</td>
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<tr>
<td>Mary Rapp</td>
<td>Cashier, SFS</td>
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<tr>
<td>Miranda Reveles</td>
<td>Health Records Technician, Student Health Services (SHS)</td>
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<tr>
<td>Melissa Rosales</td>
<td>Cashier, PCS</td>
</tr>
<tr>
<td>Lisa Skola</td>
<td>Business Manager, SHS</td>
</tr>
<tr>
<td>Paul Tiglao</td>
<td>Systems Development and Enhancement Coordinator</td>
</tr>
<tr>
<td>Malia Tirado</td>
<td>Cashier, SFS</td>
</tr>
<tr>
<td>Agnes Tobe</td>
<td>Accountant, Accounting and Technology Services (ATS)</td>
</tr>
<tr>
<td>Mary Villalobos</td>
<td>Accountant, SFS</td>
</tr>
<tr>
<td>Daniel Zorn</td>
<td>Director, ATS</td>
</tr>
</tbody>
</table>
May 26, 2010

Mr. Larry Mandel  
University Auditor  
The California State University  
401 Golden Shore  
Long Beach, CA 90802

Subject: Campus Response to Audit Report 10-23, Main and Satellite Cashiering  
California State University San Marcos

Dear Mr. Mandel:

Enclosed is our campus response to the five recommendations in Audit Report 10-23, Main and Satellite Cashiering. We anticipate sending our supporting evidence no later than October 15, 2010.

Please let us know if you have any questions or need additional information.

Sincerely,

Linda Hawk  
Vice President  
Finance and Administrative Services

Enclosures

cc: President Karen S. Haynes
MAIN AND SATELLITE CASHIERING
CALIFORNIA STATE UNIVERSITY,
SAN MARCOS
Audit Report 10-23

GENERAL ENVIRONMENT

Recommendation 1

We recommend that the campus review and update cashiering policies and procedures manuals to reflect current practices that utilize CashNet and Spectrum cashiering.

Campus Response

We concur. Policies and procedures shall be updated to reflect current practices that utilize CashNet and Spectrum Cashiering. Target completion date is October 15, 2010.

SEGREGATION OF DUTIES

Recommendation 2

We recommend that the campus:

a. Remove access to posting and charge reversals from cashiering staff or implement compensatory mitigating controls.

b. Remove access to process student accounts write-offs from non-supervisory cashiering staff or implement compensatory mitigating controls.

c. Review employees' job functions and remove unnecessary PeopleSoft student accounts and CashNet cashiering access or implement compensatory mitigating controls.

Campus Response

We concur. We will implement compensatory mitigating controls to address access to posting and charge reversals, access to process student accounts write-offs from non-supervisory cashiering staff, and access to PeopleSoft student accounts and CashNet cashiering access. Target completion date is October 15, 2010.
SATELLITE CASHIERING

ACCOUNTABILITY FOR CASH RECEIPTS

Recommendation 3

We recommend that the campus:

a. Prepare a pre-listing (log) of cash and checks received at ASI, EL, PCS, and SHS, and ensure that all checks received are restrictively endorsed.

b. Ensure that ASI cashiering personnel complete a detailed breakdown of cash receipts for transfer to the main cashier.

c. Ensure that cash drawers are not shared and that cashier transactions are not commingled among cashiers.

d. Ensure ASI cashiering staff is given separate logons and verify that their access is appropriate within the Spectrum cashiering system.

e. Require documented management approval for voided transactions.

Campus Response

We concur. We will prepare a pre-listing (log) of cash and checks received at ASI, EL, PCS, and SHS, and ensure that all checks received are restrictively endorsed; we will ensure that ASI cashiering personnel complete a detailed breakdown of cash receipts for transfer to the main cashier; we will ensure that cash drawers are not shared and that cashier transactions are not commingled among cashiers; we will ensure ASI cashiering staff is given separate logons and verify that their access is appropriate within the Spectrum cashiering system; we will require documented management approval for voided transactions. Target completion date is October 15, 2010.

SAFE ACCESS RECORDS

Recommendation 4

We recommend that the PCS, SHS, ASI, and CC maintain a written record of individuals with knowledge of their respective safe combinations and the date combinations were last changed.

Campus Response

We concur. We will work with PCS, SHS, ASI and CC to maintain a written record of individuals with knowledge of their respective safe combinations and the date combinations were last changed. Target completion date is October 15, 2010.
CHANGE AND PURCHASE FUNDS

Recommendation 5

We recommend that the campus implement controls to ensure that audit counts of change and purchase funds occur as frequently as required.

Campus Response

We concur. We will implement controls to ensure that audit counts of change and purchase funds occur as frequently as required. Target completion date is October 15, 2010.
July 2, 2010

MEMORANDUM

TO: Mr. Larry Mandel
    University Auditor

FROM: Charles B. Reed
    Chancellor

SUBJECT: Draft Final Report 10-23 on Main and Satellite Cashiering,
         California State University, San Marcos

In response to your memorandum of July 2, 2010, I accept the response as
submitted with the draft final report on Main and Satellite Cashiering,
California State University, San Marcos.

CBR/amd