

# American Samoa Government Office of Vital Statistics (OVS)

## Unannounced Cash Count

October 8, 2021



American Samoa Government  
Territorial Audit Office  
Tofa Sualauvi Su'a, Acting Territorial Auditor  
Report Number: 21-09



**AMERICAN SAMOA GOVERNMENT  
TERRITORIAL AUDIT OFFICE  
Tolu Street - Lions Park  
Tafuna, Pago Pago, AS 96799**



Hon. Lemanu P. P. S. Mauga  
Governor

Tofa Sualauvi H. Su'a  
Acting Territorial Auditor

Hon. Talauega E. V. Ale  
Lt. Governor

Liua T. Fatuesi  
Deputy Auditor

January 24, 2022

To: Lemanu P.S Mauga  
Governor of American Samoa

From: Tofa Sualauvi H Su'a  
Acting Territorial Auditor

**Subject: ASG Department of Homeland - Office of Vital Statistics, unannounced cash count**

We are submitting as part of the Territorial Audit Office's limited scope review, the results of the surprise cash count which was conducted on October 8, 2021 where we identified and observed weaknesses and procedural breakdown in internal controls. We had discussed the contents of the report with the Office of Vitals senior personnel and had agreed with recommendations and suggestions for improvement. We are also attaching as part of the report the Office of Vital Statistics positive responses dated January 20, 2022.

As part of the audit process, the Territorial Audit Office will perform a subsequent follow up in due course to make sure recommendations and corrective actions in the report are implemented.

We appreciate the Office of Vital Statistics staff and Director, Samana Semo Ve'ave'a's support and cooperation provided to the Territorial Audit Office during our the limited scope review.

Ma le fa'aaloalo lava.

Distribution:  
Talauega E V Ale, Hon. Lieutenant Governor  
Tuaolo M Fruean, Senate President  
Savali T Ale, House Speaker  
Samana S Ve'ave'a, Director Department of Homeland

**ASG Department of Homeland Security**  
Office of Vitals Statistics  
Unannounced Cash Count

**A. INTRODUCTION**

The Territorial Audit Office conducted an unannounced cash count at the Office of Vital Statistics (OVS) on October 8, 2021. The Office of Vital Statistics is under the control of the American Samoa Department of Homeland Security per A.S.C.A Chapter 3 - Title 4.0330, *"The Governor of American Samoa or his authorized representative shall create and establish the position of Registrar of Vital Statistics. The Registrar of Vital Statistics shall be under the control and supervision of the Director of Homeland Security"*.

**B. BACKGROUND**

The Office of Vital Statistics collection consists of fees for requested copies of birth certificates, marriage license, death certificates, and identification cards. According to A.S.C.A Chapter 11 - Title 4.1110, *"The Registrar of Vital Statistics: (1) be the custodian of and accurately maintain registers of all marriages, divorces, births, deaths and adoptions and such other registers as the Governor or his authorized representative may from time to time designate; (2) upon request and payment of proper fees, furnish certified copies of such documents as he may have in his custody; and (3) issue marriage licenses"*.

All services provided have a different fee assessed by the Office based on the schedule of fees. The Office of Vital Statistics maintain the following record(s) of actual vital documents under their custody:

- a. Birth Certificates
- b. Death Certificates
- c. Marriage Certificates
- d. Identification Documents (ID)
- e. Divorce Decrees
- f. Affidavits specifically on each particular case (births, marriages and divorces)

The Office of Vital Statistics Laws and Policies requires issuance of Birth Certificates or Birth Certificate requests to persons over 18 years of age. Legal guardians or natural parents are required to uplift certificates of persons under 18 years of age. A valid state/immigration of passport, military or an American Samoa Government identification card must be presented for verification. Payment of off-island requests are by money orders or cashier's checks only. Personal checks are not accepted.

Currently, there are two other collection areas outside of American Samoa: (1) The Governor's Office in Hawaii and (2) Online requests through vitalchek.com. All cash collections are transmitted to the Office of Vital Statistics and submitted to the ASG Treasury Revenue division. Our review confirms that the last deposit received from vitalchek.com was in 2019.

*Cash Collection*

The Office of Vital Statistics daily cash collection is submitted directly to the ASG Treasury, Revenue Division. The transmittal letter, copies of receipts and cash are forwarded to the Revenue Division. The Revenue Division then verifies the deposit and issues receipts as proof of daily deposits.

## C. OBJECTIVES, SCOPE AND METHODOLOGY

### OBJECTIVES

1. Does the Office of Vital Statistics comply with Department of Treasury's approved policies and cash handling procedures?
2. Are Cash Receipts and Petty Cash transactions at the Office of Vital Statistics completed, accurate, properly documented and recorded and deposited intact?
3. Are there adequate safeguards to ensure accuracy of Cash intake at various locations such as the main Office in Fagaalu, the Governor's Office in Hawaii, and the online vitalchek?

### SCOPE OF OUR WORK

To achieve the limited scope review, we performed an unannounced cash count at the Office of Vital Statistics (OVS) on October 08, 2021. We also reviewed prior deposits from September 24 to October 8, 2021 to confirm that daily collections are properly deposited and sequential receipt numbers are properly accounted for.

### METHODOLOGY

To answer the audit objectives, we reviewed documents and controls relevant to cash collections. We evaluated cash receipt operations, conducted a surprise cash count, reviewed deposits and verified cash receipts, interviewed cashier(s) and management staff and evaluated the physical security of collected cash and unused cash receipts.

Our limited financial audit scope was performed in accordance with Councils of the Inspectors General on Integrity and Efficiency (CIGIE) established by the Office of Inspector General (OIG). Accordingly we include such tests of records and other auditing procedures that we considered necessary in the circumstances.

## D. FINDINGS AND RECOMMENDATIONS

### SUMMARY OF CASH COUNTED

Total Cash Counted	\$32.00
Total Receipts (Rec#08235, 08236, 08237 & 08238)	\$32.00
Variance	\$Nil

**Note:** The Office does not maintain a Change Fund.

#### **Finding No. 1: No Written Cash Collection Policies and Procedures**

We found out that the Office of Vital Statistics has no written policies and procedures on cash collections in place. The establishment of written policies and procedures are essential for effective management control. There is the benefit of having such procedures in written form as this will serve as a useful training tool for staff and facilitates the audit process.

#### **Recommendation:**

The Office of Vital Statistics should prepare written internal guidelines in handling cash. Procedural steps shall highlight office tasks and responsibilities so that staff have a clear understanding of management expectations. The procedures shall coincide with ASG Department of Treasury current Policies and Procedures on Cash handling.

**Finding No. 2: There is no log to control issuance of receipt books**

Our observations confirmed that there is no log on hand to control the issuance of Cash Receipt Books. The Office does maintain a cabinet where all forms and files are kept. One of the drawers is designated for cash receipt books. The purpose of the log maintenance is to ensure that cash receipt books are issued in strict numerical sequence.

The ASG Treasury Cash Receipts Policies and Procedures Manual, 1.2 page 4, paragraph 3 (Departments will account for all Pre-numbered receipt forms) states that "...A log shall be maintained of all receipt books issued by Treasury's Revenue Division to departments. Issuance of receipt books shall be logged out and signed for by the departmental cashier. Someone independent should review this log periodically."

**Recommendation:**

We strongly recommend that the Office of Vital Statistics should maintain a log to properly account for all cash receipt books provided by ASG Treasury Revenue Division and to comply with ASG Treasury Cash Receipts Policies and Procedures Manual.

**Finding No. 3: Posting of Fee(s) Schedule**

We noticed that there was no fee(s) schedule displayed for the public interest and made available at the Office premises.

The American Samoa Code Annotated Title IV, Chapter 10, Sec. 4.1002 states "Each agency of the government shall: (1) adopt rules of practice setting forth the nature and requirements of all formal and informal procedures available, including a description of all forms and instructions used by the agency (2) adopt rules stating the general course and method of its operations and the methods whereby the public may obtain information or make submissions or requests."

**Recommendation:**

We recommend that the Office should post a complete and approved fee schedule in an open area for the public interest. The schedule shall be updated on a timely basis with appropriate details of rates and other approved services provided by the department.

**Finding No. 4: Lack of Segregation of Duties**

We found out from the cash count that there is an inadequate segregation of duties amongst cashiers who handle cash collections during the day. The reconciliation sheet along with the Transmittal Letter are both prepared and initial by the same person, who is the main cashier. There is no evidence that someone independent of cash handling does review the reconciliation at the end of the day.

The ASG Treasury Cash Receipts Policies and Procedures Manual, 1.1, page 3 states that "In general, cash handling duties should be segregated from recording and reconciling duties. The person who collects cash and issues receipts should not be responsible for reconciling daily receipts or preparing daily cash deposits. Similarly, the person who makes the deposit should not be responsible for reconciling daily receipts and preparing the deposit. The site supervisor or equivalent should perform the daily cash reconciliation and prepare deposits. The number of persons handling cash should be kept to a minimum to ensure accountability. Cash drawers should not be shared by cashiers. If these procedures cannot be adequately segregated, the department director will ensure monitoring tools are in place."

**Recommendation:**

We strongly recommend for a review of the Office cash handling procedures and that someone independent of cash handling does prepare, reconcile, and verify all funds before delivery to ASG Department of Treasury. Such review shall be documented and evident on work schedules and reports.

**Finding No. 5: Safeguarding of funds (Cash and Checks)**

From observations, the Cash Register was placed on the office counter. Instead, the Cash Register should be placed in a secured spot inside the office and should be kept out of sight and from access of unauthorized personnel. We noticed movements of other employees (other than cashiers) in the area where the cash register was located.

*Comments on a future audit outcome*

There have been discussions underway for a POS (point of sale) system to be installed which will improve the accountability and security of cash.

**Recommendation:**

We recommend that the Cash Register shall be placed in a secured place with cash drawers under lock and key when not in use. Cash has the greatest chance of "going missing" and it is very important for effective internal controls to be in place.

**Conclusion**

The above findings were the result of our limited scope review and were discussed in our exit conference on January 11, 2022 and the Office of Vital Statistics has fully supported the report per its responses dated January 20, 2022. The Territorial Audit Office can confirm that all cash counted was intact, accurately recorded and properly remitted to the Department of Treasury.



AMERICAN SAMOA GOVERNMENT  
DEPARTMENT OF HOMELAND SECURITY

(ASDHS)  
OTICIDE - SPICIN- INTERPOL  
TEMCO  
Vital Statistics  
Office of Homeland Security



Hon Lemanu P. Mauga  
*Governor*  
-----  
Talauega Eleasalo V. Ale  
*Lt. Governor*

Samana S. Ve'ave'a  
*Director*  
-----  
Vinnie Atofau Jr.  
*Deputy Director*  
  
Marvis Vaiaga'e  
*Deputy Director*

January 20, 2022

Serial No: 019-2022

To: Tofa Sualauvi H. Su'a  
Acting Territorial Auditor  
Territorial Audit Office

From: Samana Semo Ve'ave'a  
Director, American Samoa Department of Homeland Security

Subject: Office of Vital Statistics Audit Report

REF: In Response to Recommendations and Findings from the Territorial Audit Office

Talofa Acting Auditor

Thank you for the courtesy extended to the American Samoa Office of Vital Statistics (OVS) in regards to the audit conducted on October 08, 2021. This letter serves as our official response in regards to corrective actions as a direct result and recommendation from the audit. The Office of Vital Statistics has developed an outline of actions taken and put in place systems with respect to your findings and recommendations report dated January 12, 2022. The corrective actions are in place to ensure OVS accountability and compliance with policy and regulations set forth by ASG Treasury's Cash Receipts Policy Manuel.

**Finding No. 1: No Written Cash Collection Policies and Procedures**

**Territorial Audit Office Recommendation:**

The Office of Vital Statistics should prepare written internal guidelines for handling cash. Procedural steps shall highlight office tasks and responsibilities so that staff has a clear understanding of management expectations. The procedures shall coincide with ASG Department of Treasury's current Policies and Procedures on cash handling.

**OVS Corrective Action:**

The Office of Vital Statistics has now adopted the American Samoa Treasury Department Cash Receipts Policy Manual for cash handling and OVS staff has been trained accordingly. Voided receipts for errors and overages are retained with the daily records and initialed by a supervisor or equivalent. The daily summary and collected cash are submitted together with the Treasury Transmittal Letter to the Revenue Section on a daily basis.

**Finding No. 2: There is no log to control the issuance of receipt books**

**Territorial Audit Office Recommendation:**

It was strongly recommended that the Office of Vital Statistics should maintain a log to properly account for all cash receipt books provided by ASG Treasury Revenue Division and to comply with ASG Treasury Cash Receipts Policies and Procedures Manual.

**OVS Corrective Action:**

After the initial visit by the Audit Office, OVS acted on the conversation with the team to put in place a system for the Receipts. OVS has since put in place a system log to account and maintain all receipt books issued by Treasury's Revenue Division to OVS. Issuance of receipt books shall be logged out and signed for by the departmental designated cashier/clerk. The Registrar reviews this log periodically to ensure accountability

**Finding No. 3: Posting of Fee(s) Schedule**

**Territorial Audit Office Recommendation:**

The Office of Vital Statistics should post a complete and approved fee schedule in an open area for the public interest. The schedule shall be updated on a timely basis with appropriate details of rates and other approved services provided by the department.

**OVS Corrective Action:**

A list of approved fees by the Registrar is now posted in the lobby area and next to the cash register for public and staff interest. The schedule is up to date and is subject to review and change by the Registrar annually.

**Finding No. 4: Lack of Segregation of Duties**

**Territorial Audit Office Recommendation:**

The Office cash handling procedures and that someone independent of cash handling does prepare, reconcile and verify all funds before delivery to ASG Department of Treasury. Such review shall be documented and evident on work schedules and reports.

**OVS Corrective Action:**



Mr. Corey Walz  
August 26, 2016  
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Cash handling duties are segregated from recording and reconciling duties. The clerk who collects cash and issues receipts is not responsible for reconciling daily receipts or preparing daily cash deposits. Similarly, the clerk who makes the deposit is not responsible for reconciling daily receipts and preparing the deposit. The site supervisor or equivalent is to perform the daily cash reconciliation and prepare deposits. The number of persons handling cash is kept to a minimum to ensure accountability. OVS has adopted a new system in which the cashier counts the daily cash with receipts, then reconciliation is conducted by another staff member before being given to the Registrar for final approval and signature.

**Finding No. 5: Safeguarding of funds (Cash and Checks)**

**Territorial Audit Office Recommendation:**

The Office of Vital Statistics' Cash Register shall be placed in a secured place with cash drawers under lock when not in use. Cash has the greatest chance of "going missing" and it is very important for effective internal controls to be in place.

**OVS Corrective Action:**

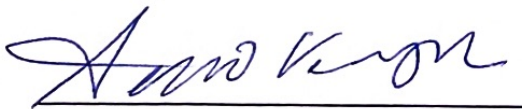
After the initial visit by the Audit Office on October 8, 2021, The Office of Vital Statistics acted on per conversation and relocated the cash register into a secured location away from the public view. The cash register has been relocated into the Registrar's office away from the public view, with the cash drawer under lock when not in use.

**Conclusion:**

There was discussion during our exit meeting in regards to the Treasury Department implementing a new Point of Sale System (POS). The Office of Vital Statistics is requesting to have this system be installed at our office to improve the accountability and securing of cash. This can also be a great tool to use for monitoring cash flow in and out and audit reporting purposes.

Once again, thank you for having this audit conducted on the Office of Vital Statistics, a lot of lessons were learned and systems needed to be in place for the overall improvement of OVS operation. Please contact the Registrar at the Office of Vital Statistics at 633-1405 should you require additional information and clarification.

Sincerely,



SAMANA SEMO VE'AVE'A