

American Samoa Government Department of Agriculture (DOA)

Unannounced Cash Count
October 29, 2021



American Samoa Government
Territorial Audit Office
Tofa Sualauvi Su'a, Acting Territorial Auditor
Report Number: 21-10

DEPARTMENT OF AGRICULTURE SURPRISE CASH COUNT REPORT October 29th, 2021

Date: March 29, 2022

To: Afioga Lenana S.P. Marge
Honorable Governor of American Samoa

From: Tofi Siale'i H. Se'a
Acting Territorial Auditor

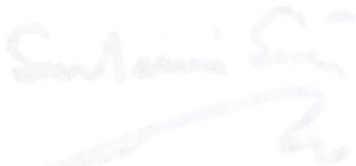
Subject: DEPARTMENT OF AGRICULTURE SURPRISE CASH COUNT

Talafo Honorable Governor Lenana,

As part of the Territorial Audit Office cycle audits, we have performed the procedures which we agreed, solely to conduct a Surprise Cash Count of the Department of Agriculture at the Tafua Main Office and the Pago Pago, Public Market. The Surprise Cash Count was performed on October 29th, 2021.

Herewith is the Cash Count Audit Report together with suggestions and recommendations on matters derived from the performance and observance of such. The report was discussed during the exit meeting with the department's management team and they concurred with our findings and their written response is included in it.

Ma le fa'avae lava.



Whiteline Liu
Hon. Lieutenant Governor
Speaker, House of Representatives
Director, A&I Department of Agriculture

Talanga V. Ale
Tusolo M. Prusac
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Sonia Taxi Mutini



**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

Date: March 29, 2022

To: Afioga Lemanu S.P. Mauga
Honorable Governor of American Samoa

From: Tofa Sualauvi H. Su'a
Acting Territorial Auditor

Subject: **DEPARTMENT OF AGRICULTURE SURPRISE CASH COUNT**

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Herewith is the Cash Count Audit Report together with suggestions and recommendations on matters derived from the performance and observance of such. The report was discussed during the exit meeting with the department's management team and they concurred with our findings and their written response is included in it.

Ma le fa'aaloalo lava.

Sualauvi Su'a

Distribution List:

Hon. Lieutenant Governor:	Talauega V. Ale
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Director, ASG Department of Agriculture:	Solia Tasi Mutini



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Governor

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Deputy Auditor

**ASG Department of Agriculture
Surprise Cash Count Report**

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A. INTRODUCTION

As part of the Territorial Audit Office (TAO) audit cycle, we conducted a surprise cash count at the Department of Agriculture on October 29, 2021. The purpose is to determine:

- That the Department of Agriculture (DoA) does comply with the ASG Department of Treasury's approved policies and DoA internal written procedures on cash collections
- That cash receipt transactions at the Department of Agriculture are complete, accurate, adequately documented, recorded and deposited timely and intact
- That adequate safeguards are in place to ensure accuracy of cash intake at the Department of Agriculture

B. BACKGROUND

The Department of Agriculture assesses fees on imported agricultural products and other approved services provided to the people of American Samoa and requires that:

1. All importers of agriculture products for commercial or household consumption are required to have an import permit
2. Importer permits shall be issued by the Director of Agriculture and commercial importers are required to pay an annual fee of \$150 on block permits

One of the functions of the Department of Agriculture Quarantine division is to assure quarantine inspection is performed on all incoming passengers, cargoes, vessels and aircraft at the port of entry to American Samoa.

The Department of Agriculture has four (4) receipting locations (*the Quarantine site at the airport was not counted. We believe this location has no holding as a result of limited flights because of the pandemic restrictions*).

1. The main office in Tafuna; for permits on import of agricultural products such as import permits, inspection fees, block permits, penalty fees and monthly lease payments
2. The Enterprise Fund which is now renamed Public Market; collecting of rent (*space*) from farmers such as market floor and stalls, bake and the fish stall
3. The Quarantine site at the wharf (*relocated to the public market at Fagatogo*); collecting of import agricultural product fees

The Department of Agriculture (DoA) has pre-numbered cash receipts (AR100) and cash receipt books (ASG Form STD-10) in its custody. These documents are provided by the Revenue division of the Department of Treasury. All collection locations are to submit their daily takings to the main office where funds are recorded and verify to cash receipts. The cash custodians prepare transmittal letters (TL) that accompany funds collected to the Treasury Department. All collections are hand carry to the ASG Department of Treasury Revenue division. The ASG Treasury Department is responsible for placing deposits with the commercial bank.

C. OBJECTIVES, SCOPE and METHODOLOGY

Objectives

The following are the cash count objectives:

- i. that written policies and procedures are in place and responsible employees are adhere to
- ii. that cash and checks on-hand and were counted agree with cash receipts on the day of the count
- iii. that cash receipts issued are in strict numerical sequence (*any voided receipts are attached*)
- iv. taking and collections are intact and remitted to the ASG Department of Treasury (*a must*) on a daily basis
- v. that funds in the custody of the DoA are adequately safeguarded

Scope and Methodology

The physical cash count was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope was to perform a physical cash count at the main office and other locations where significant cash holdings are held.

As part of the cash count, we also included a review of related cash documents prior to and subsequently from October 26th 2021 to November 5th 2021 for the main office. To achieve the objectives, we reviewed the Department of Agriculture's selected financial documents and internal controls relevant to cash collections. As part of the review, we looked at existing cash collections and procedures, checked receipting reports, interviewed cashiers and management staff and verified the physical security of collected funds and unused cash receipt books. Therefore the scope was expanded to explore these issues in more detail.

D. DETAILS OF FUNDS COUNTED

The following is the summary of funds (*cash and checks*) counted at the Main Office and the Public Market outlet:

Date of count	Location	Funds	Amount
10/29/2021	Main Office	Cash	1,475.00
		Checks – ANZ	80.00
		Checks - TBAS	610.00
		Total funds counted	\$2,165.00
		Total per receipt #08251 to #08295	\$2,165.00
		Variance	\$Nil
10/29/2021	Public Market	Cash counted	180.00
		Total per receipts #08178 to #08195	180.00
		Variance	\$Nil

Explanatory notes that forms part of the Cash Count Report

- Funds counted were subsequently deposited into ASG Department of Treasury on October 29, 2021 per TL#298218.
- As in the past, the Enterprise Fund was maintained and kept in a 'separate' checking account. Now all proceeds from the market (*space rentals and others*) are recorded as the "Public Market" under the General Fund and Funds in the Department of Treasury Cash Pool. The Enterprise Fund has also been renamed as the Public Market.

E. CONCLUSION, FINDINGS and RECOMMENDATIONS

Overall Conclusion

There were no overages or shortages noted during the surprise cash count. However, the following matters were identified and have been discussed in detail for improvement. An exit conference was held on January 19, 2022 with the Acting Director and three senior staff was present where findings were discussed. The Department of Agriculture has agreed and supports in principle the suggestions and recommendations for implementation. The Department will put in place an action plan in the very near future.

Finding No.1: No written Cash Collection Policies and Procedures

We were verbally advised that the Department has no written policies and procedures on all cash collections (*again confirmed at the exit conference*). 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. The ASG Treasury has already prepared a Cash Receipts Policy Manual for reference and guidance, **refer appendix B**.

Recommendation

The Department should prepare written internal guidelines in 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 the ASG Department of Treasury current cash receipts policy manual.

Finding No.2: Posting of fees(s) schedule - see details as per Exhibit A

We have not seen an approved fee(s) schedule displayed for the community and made available at the Office for services provided and payable by the public. The provided fee schedule at the cash count location was unsigned. The American Samoa Code Annotated Title IV, Chapter 10, Sec. 4.1002 states that "Each agency of the government shall:

- (1) Adopt rules of practice setting for 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 Department should post a complete and approved fee schedule in an open area for the public. The schedule shall be updated on a timely basis with appropriate details of rates and other approved services provided by the Department.

Finding No.3: Locked cash drawers or other cash secured devices

From general observations, there are no locked drawers nor a cash register machine made available and used for the purpose of securing and safeguarding of funds during normal business hours at the main office. There was a small locked box held by the cashier for keeping funds (*cash and checks*).

Recommendation

We recommend that the Department shall consider acquiring an electronic cash register or other alternative cash security devices for funds safekeeping. From an audit perspective and under no circumstances should public monies be held in desk drawers, file cabinets with key locks or other devices where they are readily susceptible to theft. Funds must be physically protected and also improved the security and accountability through the use of an electronic cash register or other recommended cash security devices.

Finding No.4: Physical security of unused cash receipts and cash receipt books

The Department maintains a log book for controlling the issuance of unused cash receipts and cash receipt books provided by the ASG Revenue Division. We observed that cash receipt books at the main office were stacked with some old equipment and others and could access by unauthorized personnel at any time.

Recommendation

We strongly recommend that all unused receipts and cash receipt books shall be stored in a secured place not easily accessible by unauthorized personnel. The finance in-charge and/or supervisor shall make sure receipt books are securely stored.

Finding No.5: Segregation of duties - preparation of deposits and transmittal letters (TL)

We found out from discussions and general observations that (*not all times*) the preparation of deposits and transmittal letters are done by the same people (*cashiers*) who are handling cash.

Recommendation

We strongly recommend that the preparers of transmittal letters and deposits shall be done by someone independent of handling cash. The supervisor or the finance in-charge shall reconcile, verify and sign-off before delivery of deposits to the ASG Department of Treasury and evident of such work shall be documented on work schedules and reports.

ASG Department of Agriculture
 Surprise Cash Count Report - October 29, 2021

Finding No.6: Public Market cash

It was revealed from discussions with the Public Market Manager that funds collected during the weekends (Fridays and Saturdays) are held overnight. The security of funds is our concern as there is no secured place for safe keeping. These funds are presented to the main office in the following Monday.

Recommendation

Priority shall be given for a vault or an alternative method appropriate to the department should be considered. There is a high risk in relation to funds security and additional controls may be necessary to safeguard funds from being stolen or lost.

		Per vehicle
Auto Parts	\$1.00	Per item
Heavy Equipment	\$100.00	
Heavy Equipment Parts	\$20.00	
Container inspection	Per inspector	\$15.00 during working hours/\$20 after regular hours
Home remedy medicine	\$5.00	Per lot, park and road
Other	\$5.00	Per type

Permits - block operators

Demand	\$150.00	Processing must have permit per shipment
Undeclared	\$250.00	\$0.15 per pound
Tom	\$0.15 per pound	Must not exceed 50 pounds per sack
Watermelon	Variable each	\$1.00 for large, \$0.75 for medium, \$0.50 for small
Tea tree	\$1.00 each	
Other staples	\$0.15 per pound	Not to exceed 50 pounds per sack
Ave	\$10.00 per pound	First 4 pounds is free
Fish	\$1.10 per pound	
Koko Samoa	\$0.50 each	

Permits - parcels

Processing fee	\$10.00	
Tea	\$0.15 per lb - excess	5 sacks @ 5 lbs. value/limit to 5 sacks @ 20 lbs each
Koko Samoa		5 each max/5 boxes \$1 each/limit to 20 packages
Handicrafts	\$2.00 per item	5 bags allowed/must provide fumigation certificate
Ave	\$0.50 pkg or \$1 to pkg	5 bags allowed
Fish	\$0.15 per pound	First 20 pounds waived

Permits - la'au/voteve

Tea	\$0.10 per pound	5 sacks free
Fish	\$0.15 per pound excess	First 50 pounds

Exhibit A - Schedule of Fees

Source: extracted from the DoA unsigned document provided at cash count location

Quarantine - Main Office

Phyto Sanitation and Fumigation:

Phyto certificate	\$15.00	
Fine mats	\$5.00	Per bundle
Vehicles	\$35.00	Per vehicle
Auto Parts	\$5.00	Per item
Heavy Equipment	\$100.00	
Heavy Equipment Parts	\$20.00	
Container inspection	Per Inspector	\$15.00 during working hours/\$20 after regular hours
Home remedy medicine	\$5.00	Per leaf, park and root
Other	\$5.00	Per type

Permits - block businesses:

Declared	\$150.00	Processing must have permit per shipment
Undeclared	\$250.00	\$0.15 per pound
Taro	\$0.15 per pound	Must not exceed 50 pounds per sack
Watermelon	Variable each	\$1.00 for large; \$0.75 for medium; \$0.50 for small
Ta'amu	\$1.00 each	
Other staples	\$0.15 per pound	Not to exceed 50 pounds per sack
Ava	\$10.00 per pound	First 4 pounds is free
Fish	\$1.15 per pound	
Koko Samoa	\$0.50 each	

Permits - personal:

Processing fee	\$10.00	
Taro	\$0.10 per lb - excess	3 sacks @ 50lbs waived/limit to 5 sacks @ 50lbs each
Koko Samoa		5 each waived/excess \$1 each/limit to 20 eaches
Handicrafts	\$2.00 per item	5 bags waived/must provide fumigation certificate
Ava	\$0.50 p/bag or \$10 p/lb	5 bags waived
Fish	\$0.15 per pound	First 20 pounds waived

Permits - fa'alavelave

Taro	\$0.10 per pound	5 sacks free
Fish	\$0.15 per pound excess	First 50 pounds

ASG Department of Agriculture
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Exhibit B

Livestock Division

Registration		Waived
Consultation	\$25 per regular hour	\$30 after hours
Treatment		Cost is contingent on medication provided
Feed		TBD
Chick permit	\$150.00	Annual block permit
Quarantine	\$30.00	Airport chick fee

Extension Division

Registration	Waived
Compliance	\$25.00 per visit
Non compliance	Farm condemn
Treatment/Fertilizer	TBD, Cost is contingent with service render

Vet Clinic

Permit	\$50.00	
Quarantine	\$25.00 pets fee	Airport
Treatment		Fee is contingent with service and medication
Transportation Fee	\$25.00	Driver and vehicle
Undeclared items	\$250.00	Individual, \$10 per pound/Business, \$0.15 per pound

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AMERICAN SAMOA GOVERNMENT
CASH RECEIPTS POLICY MANUAL

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**AMERICAN SAMOA GOVERNMENT
CASH RECEIPTS POLICIES AND PROCEDURES MANUAL**

1. CASH RECEIPTING FOR ALL DEPARTMENTS

1.1 Cash Receipting Duties will be Adequately Segregated

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.

1.2 Acceptable Receipting Methods

All Cash Collected Will Be Accounted for Using One of the Following Types of Receipting Methods:

- **Electronic Cash Register**
- **Pre-printed, Pre-numbered Receipts**
- **Theater Tickets**

Only one receipting method shall be used at each point of sale (location). In the event of a power outage, those locations with electronic cash registers should use pre-printed, pre-numbered receipts. Receipts will be provided to every customer. Furthermore, signs will be posted informing customers to ask for a receipt if they do not receive one.

All cash collected at any ASG department will be immediately accounted for at the time of each transaction, using one of the three methods mentioned above. The use of electronic cash registers is the preferred method of recording cash collections in most circumstances. However, regardless of the method of receipt, cash should be maintained in a neat and orderly fashion. One dollar bills should be bundled in groups of 25, five and ten dollar bills should be bundled in groups of 20, and twenty dollar bills should be bundled in groups of 25.

Acceptable sources of payment are cash, personal check (local bank only?), money order, cashier's check, credit cards and debit cards. Bank drafts are not accepted unless approved by the Treasurer.

Electronic Cash Register

All sales will be recorded into the cash register. Customers shall be given a machine generated receipt. The internal sequentially numbered transaction system shall not be reset to zero. Voided receipts for errors and overages shall be retained with the daily records and initialed by a supervisor or equivalent.

A reconciliation (daily summary) shall be completed at each collection site for the day's transactions taking into account: beginning cash balance (change fund), sales per cash register's internal tape receipting records, voids, a next day's change fund and cash to be deposited. This summary will identify potential cash overages or shortages. This daily summary shall be submitted with the Treasury Transmittal Letter and retained by Treasury for audit purposes.

Official Pre-printed, Pre-numbered Receipts

Receipt forms must be official Department of Treasury pre-numbered, pre-printed with the header, "American Samoa Government Office of the Treasury." The receipt form must provide spaces for and include the following information: date of receipt, payee, method of payment (currency and coin, money order, check), dollar amount received, reason for payment, and signature of cashier. When individuals make in-person payments, a receipt must be issued promptly. In addition, the numerical sequence of receipts should be controlled and properly accounted for, e.g., if a transaction is voided due to error or other reasons, the associated receipt should be retained. The Manual receipts should be reconciled daily to the deposit.

• **Departments Will Account For All Pre-numbered Receipt Forms**

Official receipt books shall be issued only by Treasury in numeral sequence. Treasury shall keep copies of invoices showing every receipt book purchased/printed and a control log which specifies who they were issued to, issue date and cash collection location. The departmental cashier or accounting clerk will account for all pre-numbered receipts and/or receipt books that are in their possession. Voided receipt forms will not be destroyed, but kept with each day's receipting records on file in department offices. 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.

• **Procedures for Voiding Manual Receipts**

There are two types of manual receipts, cash receipts and book receipts¹. When voiding a cash receipt, both the customer copy and office copy is submitted to Treasury Revenue Division with the daily deposits. The audit copy remains on file with the department. When voiding book receipts, the customer copy and revenue copy is submitted to Treasury Revenue while the audit copy remains with the department.

Receipt forms must not be altered in any way. If changes are necessary, the receipt must clearly be marked "VOID" and a new receipt is issued.

Theatre Tickets

Two-part (duplicate) theatre tickets can be used to receipt cash under circumstances when cash register or manual receipting is not feasible. Department directors shall be responsible for the following:

- Safeguarding of all unused tickets.
- Maintaining invoice copies for all ticket rolls purchased. Invoices will include serial number of each roll, ticket color of every roll, ticket denomination for each roll, number of tickets in each roll and beginning and ending ticket number of each roll.
- Maintaining an inventory control log that specifically identifies ticket rolls by series number, date issued and the employee to whom the tickets were issued.
- Maintaining daily summaries and duplicate tickets, as identified below.

Every ticket issued as a receipt shall include the denomination (dollar value) on the face of the ticket AND its adjoining ticket stub.

At the end of each day's transactions the site supervisor or equivalent shall prepare a daily summary to reconcile cash receipts with the duplicate ticket stubs remaining. If no one else is available, the cashier may be required to perform this function. The daily summary will be retained with all duplicate ticket stubs representing total sales for the day. The daily summary should also show the beginning and ending ticket number sold from each roll used, the ticket color(s), the denomination per ticket and unique series number of the roll. A copy of the daily summary will be retained with the duplicate tickets of each receipting location. The original daily summary shall be submitted with the Treasury Transmittal Letter and validated deposit slip.

¹ Cash receipts are issued for payments received at the Executive Office Building, whereas book receipts are used by ASG employees taking receipts at field locations.

1.3 Cash Receipts Received By Mail

Checks, money orders, or cashier's checks received by mail should be opened and entered into a cash receipts log by an employee who is not responsible for processing the payment. The cash receipts log should contain the date received, the check amount, check number, and description of services paid for.

1.4 Responsibilities for Cash Receipts

Cash shall be receipted according to Treasury Department policies regardless of where the cash is received. (See step 1.2 regarding appropriate recording of cash)

- a. If funds are received by an incorrect department from a customer in person, the cashier or clerk shall inform their supervisor immediately. The supervisor will determine whether to process the receipt or send the customer to the correct department for proper receipting.
- b. If unopened mail is received by an incorrect department, the unopened mail must be placed in outgoing postal mail immediately or routed to the correct department in a timely manner, taking into consideration the 24-hour rule as outlined in item #7.
- c. If an envelope containing cash/check has been opened, the monies must be receipted and recorded by the person in possession of the funds. The ASG Office of the Treasurer receipt book or a receipt log will suffice for these purposes.

1.5 Policies for Accepting Personal Checks

Customers shall be instructed to make checks payable to ASG. Signs informing customers to make checks payable to ASG shall be posted at all government cash receipting locations.

All checks will be restrictively endorsed 'For Deposit Only - ASG' immediately upon receipt.

Third party checks as a means of payment is strictly prohibited. Cashing paychecks and personal checks at any government department is also prohibited.

1.6 Policies for Accepting Credit/Debit Card Payments

Credit or Debit Card payments should not be accepted without a valid photo ID issued by a government agency. Cashiers should verify that the card has been signed.

1.7 Cash Collected Will Be Reconciled Daily

Cash receipts should be reconciled daily to register tapes, manual receipts, or theatre tickets prior to submission of the Treasury Transmittal Letter. The reconciliation should be performed at the location at which the cash was received, preferably by a site supervisor or equivalent. Cash reconciliations should not be performed by the employee handling cash receipts. Cash shortages should be identified, documented, and analyzed to determine if corrective action is necessary. Cash-to-check composition of the receipts and deposit is verified by an independent person to ensure integrity.

1.8 Cash Receipts Will be Deposited Daily

All deposits should be made daily and intact – no cash should be retained or expended. ASG Treasurer may make exceptions to the daily deposit requirement in writing. In the event that the amounts of cash collected at certain remote locations do not warrant the time and cost required of making daily trips to the bank or the Revenue Department, Treasury will establish a minimum threshold, on a case-by-case basis, for cash receipts collected before a deposit is prepared. Under no circumstances are ASG employees permitted to cash payroll or personal checks using cash receipts.

All cash deposited directly with the ASG Treasury will be accompanied by a Treasury Transmittal Form. All supporting documentation for each deposit and receipt should be filed in department offices. Documentation must be of sufficient detail to satisfy audit requirements including cash-to-check composition.

1.9 Cash Collections Will Be Adequately Safeguarded

During the day, all cash collections will be kept in locked drawers, cash boxes or cash registers. If a safe is available, all cash kept overnight will be placed in the safe.

The key to the cash register and/or safe is kept on the person or in a secured drawer. The combination to the safe (if applicable) shall be changed periodically and recorded when it was last changed. (This is particularly important to do after an employee who knows the combination leaves the department).

The combination to the safe should be safeguarded and not written or maintained where it can be viewed by others. Any duplicate keys and combinations to the safe shall be submitted to the department head or designee for use if the fund custodian is out. The cash handling areas must be secured from entry by unauthorized persons.

Ideally, the combination to the safe and/or key to the lock box should be controlled by only two individuals, the custodian and one individual in management as backup.

Examples of unacceptable places to keep the safe combination are: on a desk calendar, inside a file cabinet or folder with common access, on shared computer files/server, in a place not locked but "assumed" others would not look, etc.

Examples of where the combination can be secured if deemed secure/appropriate by the custodian are: in their wallet that is kept on their person but does specify "combination to safe" or within a desk drawer that is locked at all times that does not have common access.

In addition, when closing the safe, be certain that the combination tumbler is turned several times after closing the safe door, and not left at the last combination number, to ensure that the safe is properly closed. Successful locking should be tested by hand.

1.10 Cash in Depository Accounts Will Be Transmitted Monthly to ASG Treasury

All receipts that have been deposited in a depository account will be transmitted at least monthly, to the ASG Treasurer. All December receipts, however, will be transmitted on or before the last day of the month to ensure proper cut-off for the calendar year.

1.11 Unidentified Checks or Money Orders

Research all reasonable possibilities in determining how an unidentified check or money order should be coded. If a phone number is listed on the check, contact the Payor to determine how funds are to be applied.

1.12 ASG Treasury Transmittal Forms Will Show Proper Distribution

All Treasurers' Transmittal Forms submitted with cash deposits will be filled out to show proper distributions of cash received. All cash deposits and receipts should balance to the total transmittal form before submitting to Treasury Revenue Division.

1.13 Review/Approval of Cash Collections Batches

All Cash Collections Batches along with the Treasurer's Transmittal Forms will be reviewed and/or approved by the appropriate supervisor, finance officer, or their delegate(s) before transmitting to Treasury Revenue Division.

1.14 Depository Accounts Will Be Established By The ASG Treasurer

New depository bank accounts will be established by the ASG Treasurer and reported to ASG Treasury, General Accounting Division.

2. BANK RETURNED (NSF) CHECKS

2.1 ASG Will Handle Returned Checks as Delinquent Accounts

Returned bank checks will be handled as delinquent accounts of ASG. Interest and/or penalties will be charged as appropriate.

2.2 ASG May Stop Service or Revoke License Or Permit For Returned Checks

If a check issued in payment of goods or services is returned by the bank, then no payment has been received for the goods or services. When appropriate, the service may be stopped, the license or permit revoked, the action avoided, or other suitable action taken. No new goods or services should be provided until payment is received for the prior goods or services.

2.3 ASG Will Charge Processing Fee For Returned Checks

ASG will charge a \$30.00 handling and processing fee on all checks returned from the bank due to insufficient funds (NSF). Payment of the fee, along with the amount of the NSF check, is required before ASG will resume service or reissue license or permit. If the NSF check is a payment for an account receivable, \$30.00 NSF fee will be added to the customer's account receivable balance.

2.4 ASG Will Notify Check Writer of Returned Check

Treasury Credit & Collections will send out written notice to all persons who have a check returned by the bank. The notice will inform the payor of the NSF fee and any action taken to stop service or revoke license or permit, as applicable.

2.5 ASG May Refuse to Accept Checks From Those Issuing NSF Checks

Only the following will be accepted as payment for an NSF check: cash, money order, or cashier's check.

Treasury Credit & Collections should maintain lists of persons who have bad checks returned by the bank and distribute lists accordingly to all departments that collect cash on behalf of ASG. Personal/business checks may be refused from these customers per determination of the department's management. However, if checks are returned by the bank, government employees that accepted the checks will be held liable for payment.

2.6 ASG Will Take Appropriate Legal Action on Returned Checks

Unpaid accounts will be sent to Treasury Credit & Collection. Other legal action may be taken as appropriate. If ASG determines that checks were passed fraudulently, then criminal legal action will be taken as appropriate.

2.7 ASG Treasury Management Will Approve Write-Offs of Bad Debts Due to NSF Checks

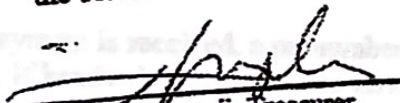
Treasury staff will periodically review accounts receivable to determine whether long outstanding accounts should be deemed uncollectible and written off as bad debts. The Treasurer or Deputy Treasurer will approve the write-off bad debts due to NSF checks or other reasons when all appropriate collection methods have been tried and/or the account is deemed uncollectible.

3. RECEIPT OF ELECTRONIC & CREDIT/DEBIT CARD PAYMENTS

The receipt produced by a POS terminal (credit card machine) is for the transaction only and will not substitute the ASG receipt. An official government receipt is issued for the transaction upon approval. The cardholder must show proof of identification with a government issued photo ID before proceeding with the transaction. Credit card transactions are then settled at the end of the day; a settlement report is printed and filed with the proof batch.

4. AUTHORIZED BY

This Cash Policy Manual is in full force. Any amendments shall be authorized by the Treasurer of the American Samoa Government.


Magalei Logovii, Treasurer

March 1, 2011



HON. TOGIOLA T.A. TULAFONO
GOVERNOR

HON. AITOFELE T.F. SURIA
LT GOVERNOR

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VELEGA SAVALL, JR.
TREASURER

UELIGHTONE TONUMAIPEA
DEPUTY TREASURER

CASH PROCEDURES

GENERAL

The Treasury Revenue Division has sole authority to distribute and monitor receipts from various government agencies. Receipts are released only to authorized persons approved by department directors.

All payments are due to the Revenue Division by 2:00pm every business day. Payments received after the cut-off time will be dated and processed the following business day. Should the Revenue Division discover any discrepancies with payments collected, the department director or designated person will be notified immediately. If the discrepancy is not resolved within 24 hours, the Treasurer or immediate supervisor will be notified and may result in legal action.

To avoid unreported revenues, departments are not permitted to make any purchases with the cash collected. If a department needs a petty cash fund, a request should be made through proper channels at the Treasury Department.

PROCEDURES

At the Department:

Monies held at the departments are at high risk of being stolen or lost. Securing and safeguarding these monies are the primary responsibility of the departments. Until payments are turned in to the Revenue Division, metal lock boxes and vaults are recommended.

When a cash payment is received, a prenumbered cash receipt, field receipt or INSIGHT (IFAS) receipt must be issued. If handwritten receipts are issued, the department must retain the audit copies while office copies are forwarded to Revenue with the cash. All receipts must be accounted for in order to provide an accurate reconciliation of cash received. Revenue will only issue receipts upon receiving all prior receipts.

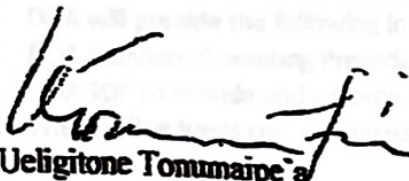
At the Revenue Division:

When cash collection is received from the departments, the revenue cashier will verify cash, checks and receipts received to ensure it agrees with the total amount listed on the Cash Receipt Transmittal Letter (TL). The cashier certifies that distribution of funds to various accounts provided on the TL are applied accordingly. An INSIGHT receipt and a duplicate copy of the TL are then issued to the department representative.

Checks issued must always be made payable to the department receiving the payment and be endorsed immediately. If the payee is left blank, The Department of Treasury will be written on the check.

Daily Cash collections will be deposited to the bank on the following business day. Bank receipts are verified to the Batch Proof report to ensure deposit totals and accounts are properly credited. Entries are posted immediately by Revenue after thorough verification.

- a. The Department will provide the following in accordance with findings:
- b. Department Operating Procedure (DOP)
- c. DOP to include the ASG Treasury Cash Procedures
- d.


Ueligitone Tomumaipa
Deputy Treasurer

Finding No. 2: ASG Cash Fee Schedule - refer details in part D1 and A

Management response:

Upon ASG Legislature's approval of the Department's fee(s) schedule to be in accordance with Title IV Chapter 10 of the A.S.C.A. 4.1002; the Department of Agriculture will display fees schedule in office and certain information will be made available to the public for transparency and to avoid misinformation and possible fraudulent activities.

Finding No. 3: Locked cash drawers in an electronic Cash Register

Management response:

As part of the DQA SOP for Internal Control, prior to end-of-day cash drawings, DQA will ensure the security of cash and receipts to be kept in a safe-deposit vault to safeguard funds and documents for end-of-day verification and deposit. This is to ensure the accuracy and accountability of daily cash collections.

Finding No.4: Physical security of unused cash receipts and cash receipt books

Management response:

In reference to the finding, DQA SOP for Internal Controls for all cash and receipts including unused cash receipt books will be safeguarded in a safe-deposit vault for accountability and security purposes, preventing any possible fraudulent activity. To warrant security of cash, DQA Finance Manager and drafter will be the authorized users to access the safe-deposit vault. DQA will acquire a safe-deposit vault for safekeeping of all overnight cash transactions and receipts for next business day deposit.

Finding No.5: Segregation of duties - preparation of deposits and transmittal letters

Management response:

Department of Agriculture Finance Manager is to appropriately segregate tasks and duties amongst finance staff for the below operations.

- 1) DQA Cashier/Clerk will be in receipt of cash payments and issuing receipts to customers and closing out their end-of-day cash collections and sign.
- 2) DQA Finance Staff as delegated by the DQA Finance Manager will verify end-of-day cash collections of the DQA Cashier/Clerk and sign.
- 3) DQA Finance Manager conducts final verification with signature of approval on the Transmittal Letter.

Finding No. 1: No written Cash Collection Policies and Procedures

Management response

- a. DOA will provide the following in accordance with findings:
- b. DOA Standard Operating Procedure (SOP)
- c. DOA SOP to include and enforce the ASG Treasury Cash Procedures
- d. Withholding funds consequences

Finding No. 2: Posting of Fee(s) Schedule - refer details as per Exhibit A

Management response

Upon, ASG Legislature's approval of the Department's fee(s) schedule to be in accordance with Title IV Chapter 10 of the A.S.C.A. 4.1002; the Department of Agriculture will display fee(s) schedule in-office and certain information will be made available to the public for transparency and to avoid misinformation and possible fraudulent activities.

Finding No. 3: Locked cash drawers or an electronic Cash Register

Management response

As part of the DOA SOP for Internal Control, prior to end-of-day cash closings, DOA will ensure the security of cash and receipts to be kept in a safe-deposit vault to safeguard funds and documents for end-of-day verification and deposit. This is to ensure the accuracy and accountability of daily cash collections.

Finding No.4: Physical security of unused cash receipts and cash receipt books

Management response

In reference to the finding, DOA SOP for Internal Controls for all cash and receipts including unused cash receipt books will be safeguarded in a safe-deposit vault for accountability and security purposes, preventing any possible fraudulent activity. To warrant security of cash, DOA Finance Manager and designee will be the authorized users to access the safe-deposit vault. DOA will acquire a safe-deposit vault for safekeeping of all overnight cash transactions and receipts for next business day deposit.

Finding No.5: Segregation of duties - preparation of deposits and transmittal letters

Management response

Department of Agriculture Finance Manager is to appropriately segregate tasks and duties amongst finance staff for the below operations.

- 1) DOA Cashier/Clerk will be in receipt of cash payments and issuing receipts to customers and closing out their end-of-day cash collections and sign.
- 2) DOA Finance Staff as delegated by the DOA Finance Manager will verify end-of-day cash collections of the DOA Cashier/Clerk and sign.
- 3) DOA Finance Manager conducts Final verification with signature of approval on the Transmittal Letter.

Department of Agriculture
Surprise Cash Count - October 29, 2021
Responses to the Cash Count Report

Exhibit A, Schedule of Fees

Source: extracted from the DOA unsigned document provided at cash count

Management response

In accordance with the ASG Rule Reform Task Force, DOA's fee schedule(s) as contained in the report has not been approved. Upon approval, the fee schedule(s) will then be displayed in accordance with Title IV Chapter 10 of the A.S.C.A. §§ 4.1002.