

# **Department of Public Safety**

Office of Motor Vehicles

And

DPS Records Division

Unannounced Cash Count

February 2-3, 2021



American Samoa Government  
Territorial Audit Office  
Sualauvi Su'a, Acting Director  
Report Number: 21-02

Unannounced Cash Count  
Department of Public Safety  
American Samoa Government

**I. INTRODUCTION**

---

We conducted an unannounced cash count at the Department of Public Safety (DPS), at two stations: (a) Office of Motor Vehicles (OMV) on February 2, 2021 and (b) Records Division on February 3, 2021.

The audit was to determine whether, the OMV and the Records Division (1) complied with policies and procedures on cash collections and whether those policies and procedures were adequate, (2) cash receipts transactions were complete, accurate, adequately documented, recorded and deposited timely and intact; and (3) maintain physical safeguard of cash, checks and unused receipts.

**II. BACKGROUND**

---

OFFICE OF MOTOR VEHICLES

The Office of Motor Vehicles is a Division of the Department of Public Safety located in Tafuna, the OMV is designated to administer and monitor the cash collections of vehicle registration fees, driver licenses permit, inspections of vehicles and vehicle weights. Vehicles in American Samoa are registered and renewed on an annual basis whereas driver's licenses are renewed from one to three years. Last year's OMV collections amounted to \$1,338,603 or a monthly average of \$111,550 according to figures from the OMV Office Manager.

OMV accounts/funds to which Revenues are credited as follows:

<u>OMV Account/Funds:</u>	<u>Descriptions:</u>
101751-4212	Drivers Licenses
101751-4213	Motor Vehicle Registrations
101752-4514	OMV Maintenance and Supplies
101717-4515	Police Academy and Law Enforcement
101751-4563	Motor Vehicles Inspection/Weight

During regular business operations, the OMV has two scheduled cashiers assigned for the day:

- The first shift starts at 7:30 am to 12 pm, at the end of shift the cashier will total all cash collections for the day that will also include the end of shift collections from the previous day's second shift. Department paperwork is then prepared for timely daily deposits to Revenue.

- The second shift starts at 12 pm to 4:00 pm, with instruction to date all incoming cash collections receipts for the next day to follow the process as explained in the first shift.

### DPS RECORDS

DPS Records is another division of the Department of Public Safety located at the main headquarters in Fagatogo. The Records division monitors cash collections of public safety services ranging from employment clearances, fingerprints testing, traffic violations records, clearances for visa applications, USA Job Corps clearances and other private business requirements. Cash collections must follow ASG Cash Receipts Policy Manual to be deposited daily which states that: “...all deposits should be made daily” and it further states that “....All cash deposited daily and intact...”

The DPS Records accounts/funds to which Revenues are credited as follows:

<u>Account/Funds:</u>	<u>Descriptions:</u>
101710-4224	Licenses, Permits & Clearances
101710-4531	Fines & Fees

### **III. SCOPE, OBJECTIVES, AND METHODOLOGY**

---

#### SCOPE

To conduct this limited scope review, we performed an unannounced cash count for these two divisions of the Department of Public Safety: 1) Office of Motor Vehicles on February 2, 2021 and 2) Records Division on February 3, 2021.

#### OBJECTIVES

The audit was designed to address the following objectives:

1. Are cash receipts complete, accurate, adequately documented, recorded and deposited timely and intact?
2. Are they in compliance with policies and procedures on cash collection?
3. Is maintaining physical safeguard of cash and cash receipts

#### METHODOLOGY

We performed the following procedures to achieve the objectives:

1. Conduct surprise cash and check counts at the specified cash collection location.
2. Reconcile the cash collection to support payment receipts. Account for the numerical and chronological sequence of payment receipts.
3. Verify that deposits are transmitted to the ASG Treasury on a daily basis.

4. Determine the adequacy of written policies and procedures.
5. Determine that employees responsible for cash collections perform their duties in accordance with policies and procedures.
6. Determine the adequacy of safeguards for cash, checks and payment receipts through inquiry and observation.

The audit was conducted in accordance with the United States Government Accountability Office (GAO) Standards for Internal Control in the Federal Government. Accordingly, we performed tests of source documents, records, and other auditing procedures to obtain sufficient and appropriate evidence to support our findings and recommendations.

#### IV. FINDINGS

---

##### OFFICE OF MOTOR VEHICLES

##### **Finding#1 - Lack of Physical Safeguards on Cash Collection and Unused Receipts**

Based on our observation, we found out that cash collections from the previous day's second shift were kept in the Supervisor's desk drawer unsecured and could easily be opened by another employee in the office. Furthermore, we found that the unused cash receipts were kept in a metal cabinet drawer that has a lock.

ASG Cash Receipts Policy Manual 1.9 states *"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."*

##### **Recommendation - #1**

We recommend OMV to follow their own internal controls for cash policies and procedures including safeguarding cash collections and unused receipts during operations.

## DPS RECORDS DIVISION

### **Finding #2 – Untimely Deposit of Daily Cash Collections**

We found during our cash count that the coverage dates of cash collections receipts sequences ranged from dates from February 1st thru February 3rd, 2021. ASG Cash Receipts Policy Manual 1.8 states *“All deposits should be made daily and intact - no cash should be retained or expended.”*

#### **Recommendation - #2**

We recommend to the Supervisor of the Records Division to follow the ASG Cash Treasury Manual guidelines in performing daily deposits without exceptions.

### **Finding #3 – Cash Count Overage of \$ 5.00**

We found the total cash collection of \$239.00 does not agree with the cash receipts issued numbers sequence, 0776165-0776240 which totaled \$ 234.00 which resulted in an overage of \$5.00 to our cash count. The overage was a surplus on that day and the cashiers couldn't determine why it was more than the total of receipts. This overage was also deposited into the funds account with the Treasury Revenue Office on the following day.

Based on our interviews with staff members, the Records Division does not have an approved change fund from the Treasury. The cashiers have no choice at times, but to use their own personal cash to provide change to the public when necessary. A change fund is essential for cashiers to do their job effectively when providing proper cash change to customers.

#### **Recommendation - #3**

We recommend the DPS Commissioner have the Records Divisions Supervisor/Head submit a formal request for a change fund from the ASG Treasury to be utilized as needed for business operations.

### **Finding #4 - No Written Policies and Procedures for Cash Collections**

We found out that the DPS Records Division does not have any departmental cash collection policies and procedures. The entire staff has not seen the ASG Treasury Cash Policy Manual or the Treasury's Cash Procedures Memo signed by former Treasurer, Ueligitone Tonumaip'e'a. This may have caused some confusion at the handling of the cash by almost everyone at the office. Clear written explanations of their cash control policies would serve as a guide for staff to perform their cash handling duties effectively and in accordance with ASG Treasury Cash Policy Manual.

**Recommendation - #4**

We recommend the DPS Commissioner work in conjunction with the Treasury Department to establish and implement the Records Division's own written policies and procedures for cash collections. The OMV has their own cash procedures in place. Records Division could mirror what they have in place and apply only what is specific and necessary to their division.

**Finding #5 – Lack of Safeguarding Cash Collection and Unused Receipts**

We found that the Records Division uses a cash box to secure all daily cash collections with no lock. They do not have a safe or vault to safeguard the cash. We also observed that the unused receipt booklets are kept in an unlocked cabinet desk drawer separate from the collected cash. At the end of each shift, we were told by the staff that the daily cash collections were kept in a drawer with previous day's collections, to be deposited as scheduled.

ASG Cash Receipts Policy Manual 1.9 states that *“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.”*

**Recommendation - #5**

We recommend to the DPS Commissioner to procure a safe, a vault or a locked cash box to ensure funds on hand and unused receipt booklets are safeguarded to strengthen control and accountability of cash collections.

We also recommend the DPS Commissioner to install a Point of Sale (POS) system to streamline the cash collection process at Records. The system will instantly account for revenues received and will default each transaction to the right revenue account and summarizes all its transactions on a daily basis. This computerized POS system will also ensure efficiencies, generate receipts and receipt numbers automatically and will allow Treasury Revenue and the DPS administrators to view only access options. The costs to have this system set-up, installed and maintained are quite minimal and will certainly improve cash collection procedures.

**Finding #6 - No Segregation of Duties**

Based on our interview conducted we found that three employees with cashier duties share the responsibility together serving the public and collecting cash. This could be a good effort in helping to move the line forward, but it also poses a problem of cash accountability at the end of the day. We found out that there was no segregation of duties amongst the staff.

But according to ASG Treasury Cash Policy Manual 1.1 *“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 daily cash reconciliation and prepare deposits. The number of persons handling the 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 - #5**

We recommend the DPS Commissioner keep the number of persons handling the cash to a minimal. It’s our recommendation to assign one cashier and one assistant to alternate in carrying out cashiering duties. This will limit the access to cash by staffs that are not directly performing cash handling duties.

**V. CONCLUSION**

---

The Territorial Audit Office (TAO) conducted an exit meeting with the DPS Commissioner, and Management Representatives: Deputy Commissioner for Administration and Operations, and Financial Manager on March 24, 2021. The purpose of the meeting was to present, review and discuss proposed audit findings and recommendations contained in the preliminary report, with representatives from the audited agency.

The audited agency is then required to submit a written statement explaining or rebuttal the proposed audit findings, including any corrective actions to be taken that are designed to preclude recurrence of adverse findings. The Agency’s response is required to be submitted to TAO within 15 days after receipt of the proposed findings, and subsequently published in the final audit report.

**VI. COMMENTS FROM DEPARTMENT OF PUBLIC SAFETY**

---

No written comments provided by DPS Financial Manager.