

## REPORT HIGHLIGHTS

### Why We Did This Audit

In 2023, we conducted an unannounced cash count audit at Milwaukee County Parks and reviewed Parks' policies and procedures as they relate to cash handling and depositing of revenues. There are many other departments at the County that collect user fee payments. In 2025, the County anticipates collecting nearly \$400 million in direct revenue which includes user fees. The Government Finance Officers Association (GFOA) calls for written policies and procedures and provides guidance on a well-defined cash handling policy. This audit focused on assessing whether select departments have current written cash handling policies and procedures that align with best practices.

### What We Found

- The County's overall Cash Handling Policy is currently being updated. The previous version did not include requirements for departments to have written policies and procedures on cash handling.
- We selected a judgment sample of areas within the County to review their policies and procedures. We reviewed: cash handling, fraud prevention, safekeeping of funds, segregation of duties, and bank deposit instructions.
- In our sample, we found that no area had a complete set of documents that fulfilled the GFOA recommended elements, although every department did have documents that incorporated some of the elements.
- We conducted follow-up meetings with all nine areas regarding their cash handling documents. All areas agreed to update and submit their revised documents to our office. Many of the departments verbally discussed how their practices fulfill best practices, however, these practices are not currently reflected in their written documents.
- GFOA recommends that new employees who will handle cash should be properly screened. The County aligns with this recommendation as it performs background checks as a part of its hiring process. Employees in the Sheriff's Office are subject to a more intensive review.
- All areas we reviewed had provided training to cashiers as recommended by GFOA.
- Every department in our sample used a standalone third-party vendor to process payments. We reviewed those contracts for compliance with signature requirements and contract expiration. Three contracts were expired. Two of the contracts were in the process of renewal. The third contract was not. Two of the contracts we reviewed were only signed by the vendor and the department head contrary to County Ordinance.

### What We Recommended

1. The Office of the Comptroller should distribute a copy of the AMOP on cash handling to all financial managers within the County upon approval by the AMOP Committee by the end of 2025.
2. The Office of the Comptroller should include in the Cash Handling AMOP a directive to cash handling departments to develop written procedures that appropriately address the identified best practices for cash handling.
3. The departments included in our sample, develop and issue updated written cash handling policies and procedures that include the elements identified in this report.
4. In the Cash Handling AMOP that is currently under review, the Office of the Comptroller should include a directive to departments that handle cash to provide training to staff whenever cash handling policies and procedures are updated.
5. The Office of the Comptroller, working with relevant departments, should evaluate whether efficiencies would be gained by the County with consolidation of the County's third-party vendor payment contracts.