

AUDIT OF WORKING FUNDS AT THE SERVICE CENTER EXECUTIVE SUMMARY

At the request of the assistant manager of customer sales, Internal Audit conducted an audit of the working funds maintained at Port Authority's downtown service center. These funds consist of fare instruments, cash, parking cards, Go Passes, pass holders, lanyards and gift cards. At the customer service center, customer service clerks maintain individual accounts, the assistant manager of customer sales maintains a fund and the vault holds fare instruments and cash.

The audit objective was to determine if the funds were maintained at their imprest balances in accordance with established procedures. The scope of audit was January 2010 and we audited all funds maintained at Port Authority's downtown service center.

STATEMENT OF OPINION

In general, the funds were maintained at their imprest balances with an accuracy rate of 99.99%. No significant errors or irregularities were identified. However, one recommendation for improvement in business processes at the service center was made and three recommendations for improvement in business processes in the Accounting and Treasury Operations Departments were made.

OBSERVATIONS AND RECOMMENDATIONS

- Although sales of parking cards are tracked in the Galaxy point of sale system, they were not included in the imprest balance of the working funds. We recommend that the clerks at the service center include parking cards in the imprest balance of the working funds.

In addition to the observation for the Service Center above, we also noted three additional observations for the Treasury Operations and Accounting Departments.

- Unsold fare instruments that still had value were stored in an unsecured area. We recommend that the accounting assistant store any fare instruments that have value in a secure area.
- Invoices for gift cards were being issued with incomplete information (i.e., missing description of item issued or missing serial numbers of items). We recommend that the each invoice completed by personnel in the Treasury Operations Department for gift cards include all of the following information: invoice number, invoice date, amount due, description of item being issued and serial numbers for the gift cards issued.
- Internal Audit also made a recommendation concerning the transportation of unsold fare instruments to and from the service center. Due to the sensitive nature of this information and concerns for the safety of Port Authority employees carrying out these transportation duties, this recommendation is more fully detailed in the full report available for Board and relevant management review.

Management concurs with these recommendations and has already implemented them.