

**REVENUE & FINANCE  
WIRE TRANSFERS & INVESTMENTS  
AUDIT 20-10  
October 1, 2020**



# CITY OF TAMPA

---

Jane Castor, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

October 1, 2020

Honorable Jane Castor  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Revenue & Finance - Wire Transfers and Investments, Audit 20-10.

Dear Mayor Castor:

Attached is the Internal Audit Department's report on Revenue & Finance, Wire Transfers and Investments.

We thank the aforementioned management and staff for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover  
Internal Audit Director

cc:     John Bennett, Chief of Staff  
         Dennis Rogero, Chief Financial Officer  
         Lee Huffstutler, Chief Accountant

**REVENUE & FINANCE  
WIRE TRANSFERS & INVESTMENTS  
AUDIT 20-10  
October 1, 2020**

/s/ Anthony D. Tiwari

---

Auditor

/s/ Christine Glover

---

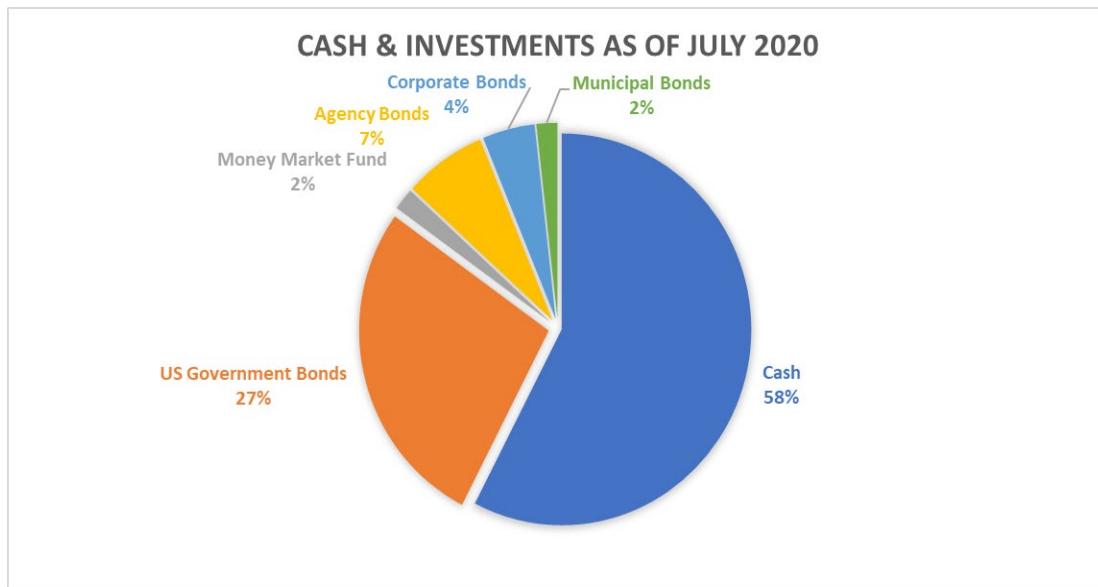
Audit Director

## REVENUE & FINANCE WIRE TRANSFERS & INVESTMENTS AUDIT 20-10

### **BACKGROUND**

The Revenue and Finance Department, Banking Division (Division) oversees the processes for wire transfers and investment of public funds for the City of Tampa (City). Wire Transfers management restricts access to transactions when use of wire capabilities provide the safest, most expedient method for making wire payments<sup>1</sup>.

Investment management ensures the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices<sup>1</sup>. The Division is guided by the 2019 Florida Statute 218.415 (Statute) which states that the investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body. The Division manages a total of 1.19 billion dollars in cash and investments. The following chart displays the percentage of cash and investments as of July 2020.



Source: Auditor interpretation of Revenue and Finance, Banking Division data

<sup>1</sup> Revenue and Finance, Banking Division Policies and Procedures Manual

## **STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY20 Audit Agenda. The objectives of the audit were to assess whether:

1. The Division has policy and procedure manuals documenting internal controls relating to wire transfers and investment.
2. Wire transfers are reviewed, signed off, and supported by sufficient documentation prior to the transfer.
3. Reconciliation of wire transfers is performed between the bank account and the general ledger.
4. Investment procedures follow the Statute's participation guidelines.
5. Management provides quarterly and annual investment reports according to the Statute.
6. The officials responsible for making investment decisions receive the required continuing professional education.

## **STATEMENT OF SCOPE**

The audit period covered FY18 and FY19. Both qualitative and quantitative assessments were performed to determine whether the management and staff of the Division were fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

## **STATEMENT OF METHODOLOGY**

We achieved our audit objectives by utilizing the following methods:

1. Conducted interviews with management to gain an understanding of internal controls.
2. Reviewed processes for wire transfers and investment of City funds.
3. Examined that the City's investment procedures is in accordance with the Statute.
4. Performed a data reliability analysis to determine completeness and accuracy of system-generated information used by management.
5. Reviewed processes for managing continuing professional education requirements.

## **STATEMENT OF AUDITING STANDARDS**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

## **AUDIT CONCLUSIONS**

Based upon the audit work performed, our conclusions are as follows:

1. The Division has policy and procedure manuals documenting internal controls relating to wire transfers and investment.
2. Wire transfers are reviewed, signed off, and supported by sufficient documentation prior to the transfer.
3. Reconciliation of wire transfers is performed between the bank account and the general ledger.
4. Investment procedures follow the Statute's participation guidelines.
5. Management provides quarterly and annual investment reports according to the Statute.
6. The officials responsible for making investment decisions receive the required continuing professional education. However, the Division does not have a centralized recordkeeping process for the listing of required courses and the corresponding certificates.

## **CONTINUING EDUCATION RECORDS**

**STATEMENT OF CONDITION:** During a review of the Division's continuing professional education (CPE) requirements, it was noted that the Division does not have a centralized recordkeeping process for the listing of required courses and the corresponding certificates. We reviewed the Statute's Local Government Investment Policies CPE requirements with the individual's listing of courses and certificates. The listing of courses was readily available however, the corresponding certificates were difficult to locate as they were not centrally housed.

**CRITERIA:** The Statute states that an investment policy shall provide for the continuing education of the unit of local government's officials responsible for making investment decisions or Chief Financial Officer. Such officials must annually complete eight hours of continuing education in subjects or courses of study related to investment practices and products. Best practice is to maintain complete and accurate reporting of the number of CPE credits earned. This includes document retention and evidence of participation and completion of learning objectives.

**CAUSE:** There is no centralized recordkeeping process for logging the listing of CPE requirements and courses together with a copy of the completion certificate. Also, there is no internal review performed for individuals that need to meet the requirement.

**EFFECT OF CONDITION:** Management and staff may not understand the latest developments, skills, and new technologies related to current practices and products. In the event of a public records request, the Division may not have the ability to produce documentation in a timely manner.

**RECOMMENDATION:** There are a multitude of CPE requirements needed to meet compliance. Management should develop a centralized record keeping process by consolidating the requirements from the different bodies into a compiled list for required individuals. A file should be maintained for individuals with course listings and the corresponding certificates. Also, create a process for periodic reconciliation of CPE course with corresponding certificates. This will allow for tracking and verification that CPE requirements are continually being met.

**MANAGEMENT RESPONSE:** The Revenue and Finance Department appreciates the recommendation and will implement a centralized record-keeping process for continuing education. The Department reiterates our awareness of the Florida State Statute requirement and our continued compliance with it. The City's Chief Accountant oversees the investments of the City, has met the continuing education (CPE) requirements, and has demonstrated the same.

**TARGET IMPLEMENTATION DATE:** December 18, 2020