

**REPLY AND IMPLEMENTATION SUMMARY  
FOLLOW-UP REVIEW OF WIRE TRANSFERS AUDIT**

<b>RECOMMENDATION</b>	<b>RESPONSE</b>	<b>CURRENT STATUS</b>	<b>IMPLEMENTATION DATE</b>	<b>AUDITEE COMMENTS</b>
1. We recommend that Treasury and Accounting meet to clearly define each function's roles and responsibilities and update City Policies & Procedures to this effect.	Concur	Partially Implemented	December 2003	Treasury and Accounting met in February, 2003; still need to update City Policies and Procedures and present to Council. Waited until after January 1, 2003 transition to Wachovia to determine changes to our procedures.
2. We recommend that Treasury update the Cash Management Desk Manual, including the wire transfers section, to reflect current policies and practices.	Concur	Partially Implemented	December 2003	Draft of revised Manual has been completed. Needs final review and editing by Assistant Treasurer and Treasurer.
3. We recommend that procedures be documented to ensure deadlines are met for reporting discrepancies to the banking institution.	Concur	Implemented	January 2003	Procedures are in place with the new Wachovia system to verify that the wire transfer amount, as viewed in PC InVision, agrees with our internal wire transfer records.
4. We recommend that policies and procedures be updated to assign the initiating bureau responsibility for obtaining bank account and corresponding beneficiary information from a reliable source, to specify the form of information to be obtained from the vendor, and to require initiating bureau staff to document the review of this information by signing a statement on the request form.	Do Not Concur	Partially Implemented	December 2003	The initiating bureau provides Accounting and Treasury staff a form with the vendor's name, banking information (including account number) and signature on it for each wire transfer, to verify the accuracy of the account number and other information. The initiating bureau is currently updating their procedures to ensure compliance as well as revising their form to improve controls. The revised Manual will include a description of this required information.

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5. We recommend that policies and procedures be established to provide internal controls for outgoing ACH transfers, including set-up of ACH transfers and establishment of guidelines for use and control of PIN.	Concur	Implemented	January 2003	
6. We recommend that the City explore the availability and cost-effectiveness of an electronic system to process and record all wire transfer activity and to provide an electronic audit trail, from the initial request to recording it in the general ledger.	Partially Concur	Partially Implemented	January 2003	Electronic wire system in place. Still exploring possibility of software to update general ledger.
7. We recommend that procedures be established to end the practice of allowing an individual who authorizes new repetitive or non-repetitive wire transfer beneficiaries to also originate or confirm wire transfers, and that a new authorization form (Schedule A to Funds Transfer Agreement Authorized Senders and Accounts) for the SunTrust agreement be executed.	Concur	Implemented	January 2003	
8. We recommend that Accounting's written internal procedures not permit City staff to bypass SunTrust's procedure of independently calling specified Treasury personnel to confirm a wire transfer.	Concur	Implemented	April 2002	

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9. We recommend that the review of that section of the City of Orlando Daily Statement that covers wire transfers be performed by someone independent of the origination or confirmation functions.	Partially Concur	Implemented		Three employees in Accounting review and record each wire transfer. The Daily Statement contains the same information being recorded in Accounting.
10. We recommend that instances of review be documented by the reviewer's signature, and that review procedures be formalized in the Cash Management Desk Manual.	Do Not Concur	Not Implemented	January 2003	Three employees in Accounting review and record each wire transfer.
11. We recommend that all wire transfer forms be signed and dated by the separate individuals originating and confirming the transfers.	Concur	Implemented	April 2002	
12. We recommend that procedures be established to improve the completeness of wire transfer request forms and provide for preparer accountability, and that more standardization of the forms be considered.	Concur	Implemented	October 2002	Forms were standardized to the extent deemed necessary.
13. We recommend that the City negotiate a provision that the Bank require a PIN to verify wire transfer requests.	Do Not Concur	Implemented	January 2003	Password and similar PIN security utilized by new banking services provider serves this purpose.

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14. We recommend that the City attempt to negotiate contractual assurance that the Bank will call the City to verify all wire transfer requests prior to the release of requested funds.	Do Not Concur	Implemented	January 2003	Current wire system requires on-line verification to effect a wire transfer.
15. We recommend that management: 1) review and update all bank and investment signature authorizations at SunTrust to include current names; and 2) adopt a check-out procedure for employee separation to ensure the City gives investment institutions proper notification of changes in signature authorizations.	Concur	Partially Implemented	January 2003  December 2003	1) Updated names at Wachovia.  2) Draft check-out procedure being developed.
16. We recommend that management adopt a procedure to confirm with all investment institutions receipt of any notifications of changes in the City's authorized signers.	Concur	Partially Implemented	December 2003	This will be included in the revised Cash Management Desk Manual.
17. We recommend that the limits of insurance in the City's Crime Policy be reviewed with the Risk Management Committee, that this review be documented, and any necessary changes implemented.	Partially Concur	Planned for Implementation	January 2004	Will meet with appropriate Risk Management personnel later this year.
18. We recommend that other types of insurance coverage, such as for errors and omissions, be reviewed for types of errors that could be made through wire transfers.	Partially Concur	Planned for Implementation	January 2004	Will meet with appropriate Risk Management personnel later this year.